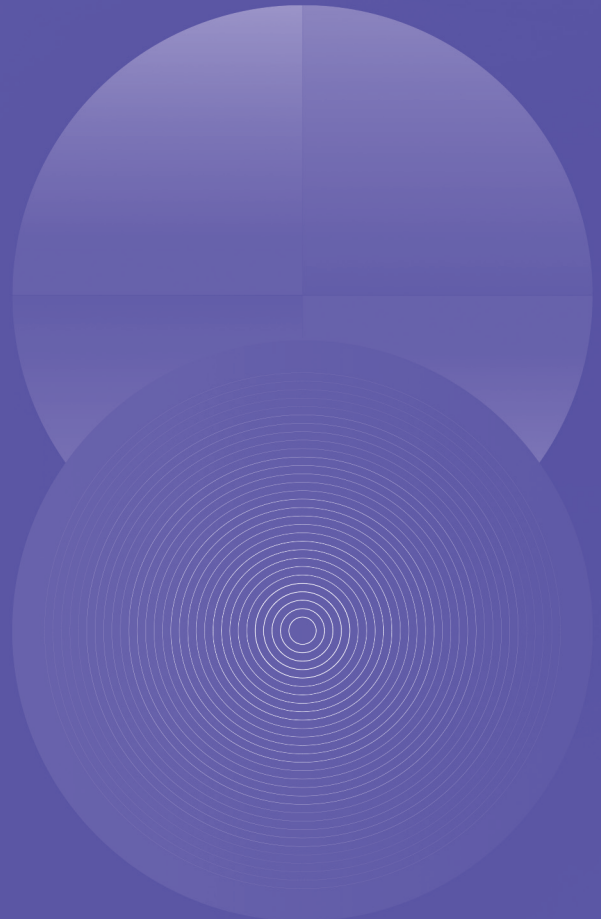
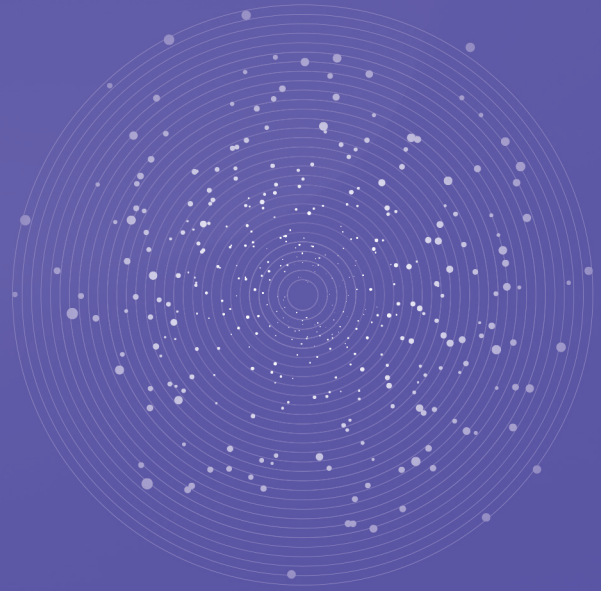
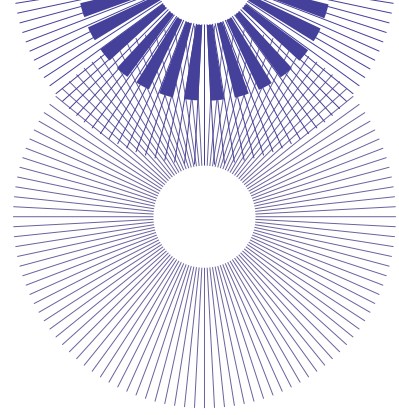


2021

KOREAN
INSURANCE
INDUSTRY





Foreword



In 2020, the global real GDP decreased by 3.3 percent due to the negative impact of the Covid-19 pandemic. In advanced and emerging economies, the GDP growth rate was -4.7 percent and -2.2 percent, respectively. As liquidity expands due to low interest rates, the financial market is booming.

Korean economy shrank by 0.9 percent in 2020, which is 3.1 percent points lower than 2.2 percent in 2019. There was an upward trend in fixed investment due to the expansion in equipment investment, while private consumption, imports, and exports contracted in 2020. The Bank of Korea (BOK) cut the base rate by 50 basis points in January and 25 basis points in March 2020 in response to the downside risk to the domestic economy brought by the Covid-19. The stock market plummeted in March 2020 but rebounded to its pre-Covid level for the second half-year.

In 2020, the total premiums in the Korean insurance industry increased by 4.3 percent. The premium income of life insurance in 2020 grew by 2.0 percent mainly because protection and endowment insurance premium income increased. In particular, endowment insurance premium income significantly grew as insurers offered relatively high interest rates compared to other financial industries. The premium income in non-life insurance in 2020 increased by 7.0 percent, mainly in marine and automobile. The insurance industry's profitability improved due to a decrease in medical use and vehicle operation during Covid-19.

The net income of life insurers in 2020 grew by 10.8 percent compared to the previous year, mainly attributable to the improvement of underwriting profit despite the decline in investment income. The net income of non-life insurers in 2020 increased by 17.3 percent over 2019, primarily due to the fall of the loss ratio in automobile insurance and long-term insurance.

Korean insurance industry recorded high growth and profitability in 2020 thanks to policy effects and the individual behavior changes amid COVID-19. However, this situation will be temporary, and thus a return to the low-growth and low-return phase is expected. The traditional business model of the insurance industry is showing limitations in growth. Therefore, the insurance industry should lower expectations for high growth and strengthen its structural innovation efforts.

The purpose of 'Korean Insurance Industry 2021' is to give comprehensive information on recent developments in the Korean insurance industry, the global and domestic real economies, and the financial circumstances surrounding the industry. We hope that this book will help the reader understand the Korean insurance industry better.

I would like to express my gratitude to the Department of Insurance Trends Analysis staff for their effort and contribution to publishing this book.

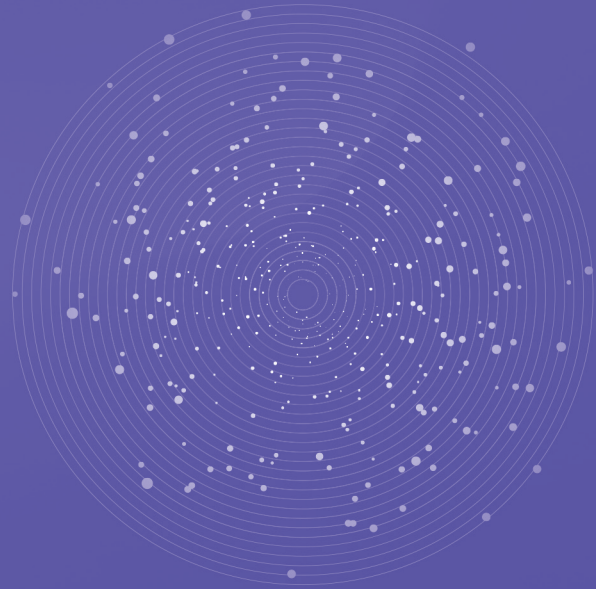
Chulkyung Ahn

President
Korea Insurance Research Institute



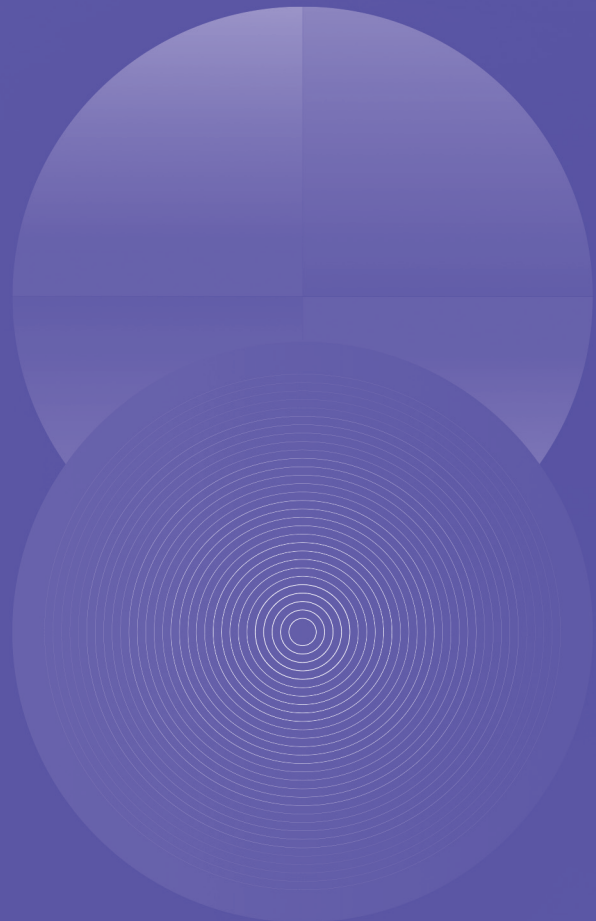
2021

KOREAN
INSURANCE
INDUSTRY



CONTENTS

- Economic trends
- Insurance market environment
- Life insurance industry
- Non-life insurance industry
- Insurance regulation and supervision
- Insurance industry issues
- Appendix



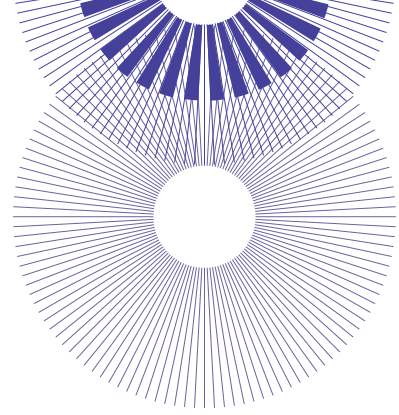
2021

KOREAN
INSURANCE
INDUSTRY



Economic trends

Global economy
National accounts
Employment
Inflation
Current account balance
Interest rates
Exchange rates
Stock price



Global economy



World GDP¹⁾ growth rate decreased to -3.3% in 2020 from 2.8% in 2019. This global economic downturn was due to the negative impact of the Covid-19 pandemic. Overall, real GDP for most economies plunged in 2020. In advanced and emerging economies, the GDP growth rate was -4.7% and -2.2%, respectively.

The economic growth rate of the Euro area²⁾ substantially decreased to -6.6% in 2020, 7.9%p lower than 1.3% in 2019. The services industry in the Euro area hit hardest due to the hampered economic activities resulted from the lockdown. The real GDP of the U.S. economy contracted to -3.5% in 2020. The U.S. economy deteriorated as the number of Covid-19 cases persistently elevated, which led to the sharp decline of the employment rate, private consumption, and economic activities. Japan's real GDP growth rate dropped to -4.8% in 2020, the first contraction since 2009. Unlike other economies, the Chinese economy had a positive growth rate of 2.3% in 2020, but this annual growth rate was the lowest GDP level since 1990 in China.

Table 1. Global real GDP growth rates

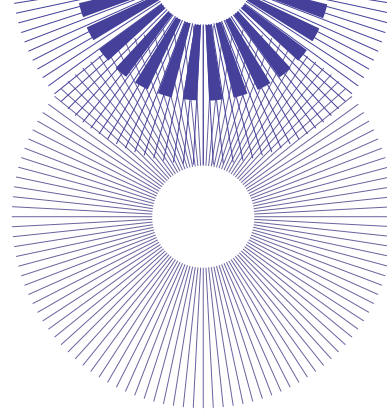
(Unit: %, y.o.y)

	2016	2017	2018	2019	2020
World	3.3	3.8	3.6	2.8	-3.3
Advanced	1.8	2.5	2.3	1.6	-4.7
Emerging	4.5	4.8	4.5	3.6	-2.2
United States	1.7	2.3	3.0	2.2	-3.5
Euro zone	1.9	2.6	1.9	1.3	-6.6
Japan	0.8	1.7	0.6	0.3	-4.8
China	6.9	6.9	6.7	5.8	2.3

Source: IMF

1) All figures are in real terms

2) The Eurozone is composed of 19 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain



National accounts



The real GDP³⁾ in Korea decreased by 0.9% in 2020, which is 3.1%p lower than 2.2% in 2019. There was an upward trend in fixed investment⁴⁾ due to the expansion in equipment investment, while private consumption, imports, and exports contracted in 2020. (see below for the details).

In 2020, private consumption drastically shrank to -5.0% compared to 2019, primarily due to people's avoidance of in-person services.

On the other hand, the fixed investment growth rate was 2.6% in 2020 with increased equipment and intellectual property products investment. In particular, the growth rate of equipment investment increased by 7.1% in 2020, in line with the improvements in semiconductor-related machinery. Construction investment in 2020 rose to -0.4% from -1.7% in the previous year, but it still slumped.

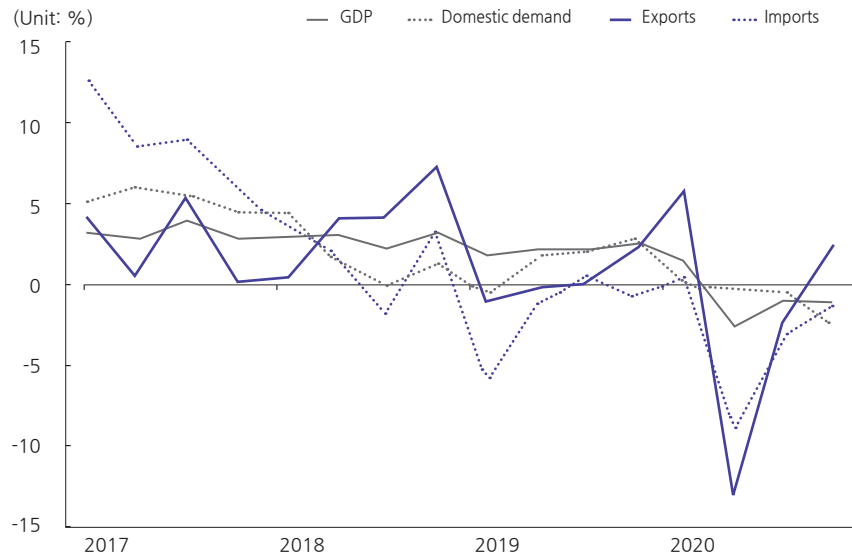
Exports were sluggish in 2020 with the decreased global trading because of most countries' border closure and travel restrictions. The growth rate of exports fell to -1.8% in 2020 from 2.0% in 2019, attributable to the significant drop in exports of services. However, exports growth started to turn positive from the second half of the year.

Imports of goods and services decreased in 2020, primarily due to the decline in the imports of energy commodities following the drop in energy prices.

3) Chained volume measure of GDP

4) Fixed investment can be composed of construction investment, equipment investment, intellectual property product investment, etc

Figure 1. Economic growth trends



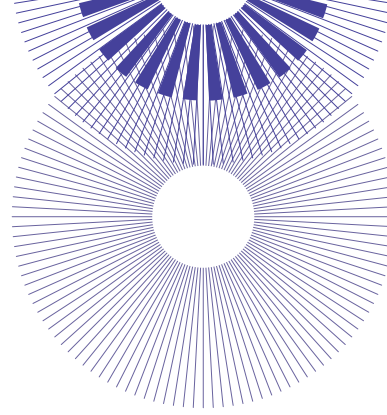
Note: 1) Domestic demand excluded inventories
 2) All growth rates were calculated on a year-on-year basis
 Source: Bank of Korea

Table 2. Economic growth trends

(Unit: %, y.o.y.)

	2019	2020				
		year	Q1	Q2	Q3	Q4
GDP (q.o.q)	2.2	-0.9	1.5 (-9.3)	-2.6 (1.4)	-1.0 (2.1)	-1.1 (5.4)
Private consumption	2.1	-5.0	-4.8	-4.2	-4.5	-6.6
Fixed investment	-2.1	2.6	4.8	1.8	3.0	1.3
Construction investment	-1.7	-0.4	4.4	-0.4	-1.5	-2.9
Equipment investment	-6.6	7.1	7.4	4.5	10.7	6.1
Intellectual property products investment	3.1	4.0	2.4	4.1	4.1	5.1
Exports	0.2	-1.8	5.7	-13.0	-2.3	2.3
Imports	-1.9	-3.3	0.4	-9.0	-3.5	-1.3

Note: 1) BOK implemented the 2008 SNA (System of National Accounts) and used the reference year 2015
 2) All figures are on a year-on-year basis
 Source: Bank of Korea



Employment

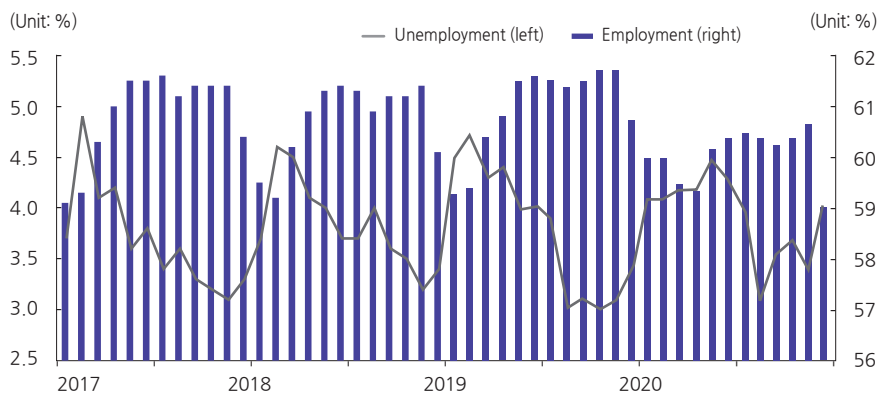


The average employment rate fell to around 60% in 2020 from 61% in 2019. The unemployment rate recorded the highest level since 2001 due to the severe impact of Covid-19 on the labor market.

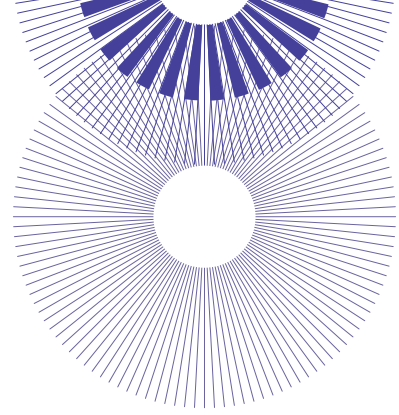
The number of employed persons totaled 26.9 million in 2020, which went down 218 thousand persons compared to 27.1 million in 2019.

By sectors, the number of workers in the public health & social welfare, transportation & warehousing, agriculture & fishery sector increased in 2020. However, the number of workers in the food & accommodation, education services, wholesale & retail trade sectors highly shrank as the services industry, primarily dependent on face-to-face interaction, was in a slump due to the spread of Covid-19.

Figure 2. Unemployment and employment rates



Source: Statistics Korea



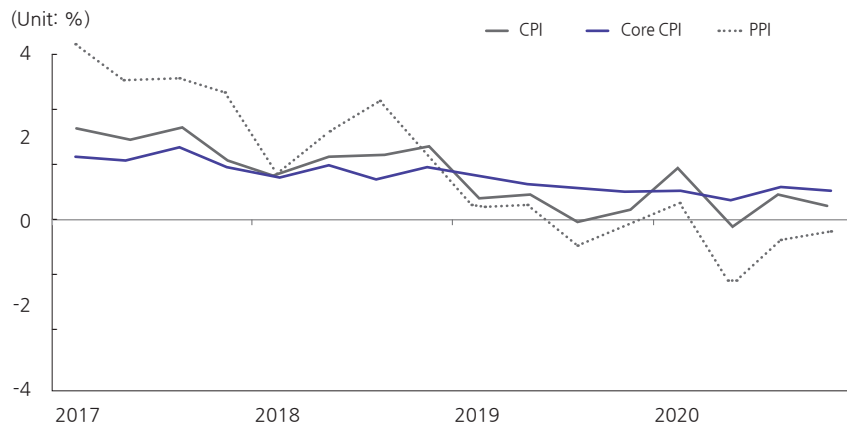
Inflation



The inflation rate indicated by CPI (consumer price index) was 0.5% in 2020, inched up from 0.4% in 2019. The level of inflation rate stayed low due to the low demand pressure caused by the economic contraction over the spread of Covid-19.

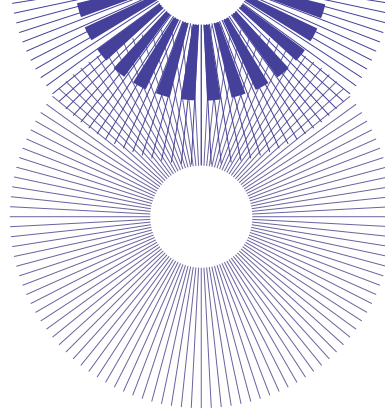
Quarter by quarter, the inflation rate was 1.2% in the first quarter of 2020 and -0.1% in the second quarter. During the first half of the year, the inflation rate tumbled as oil prices plummeted and the prices for the individual services industry (such as travel, culture, etc.) declined. In the third quarter and fourth quarter of the year, the CPI rate was 0.6%, 0.4%, respectively, primarily due to increased agriculture prices during the rainy season in Korea. Core CPI⁵⁾ inflation was 0.7%. PPI (Producer price index) was -0.5% in 2020, which decreased from 0.0% in 2019.

Figure 3. Inflation by CPI and PPI



Note: All growth rates are based on a year-on-year basis
Source: Statistics Korea, Bank of Korea

5) CPI without agricultural and petroleum products



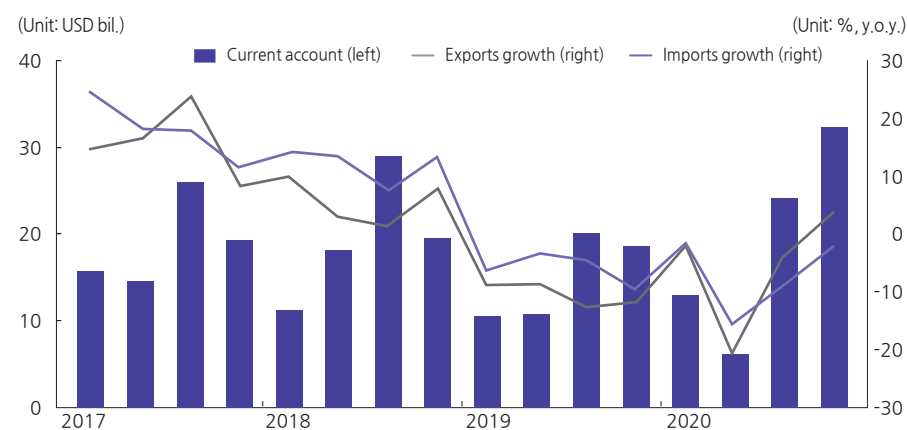
Current account balance



The current account surplus in 2020 increased to 75.3 billion USD in 2020 from 59.7 billion USD in 2019, due to a reduction in the service account deficit. By components, the surplus of the goods account was 81.9 billion USD in 2020, slightly up from 79.8 billion USD compared to the previous year. The deficit in service account decreased to 16.2 billion USD in 2020 from 26.8 billion USD in 2019.

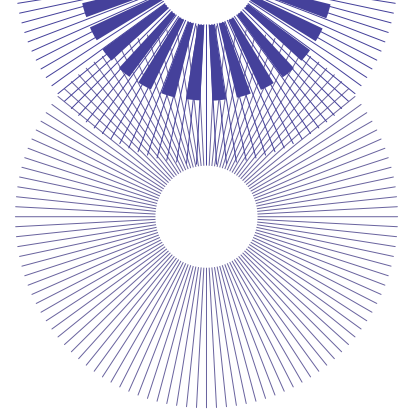
In 2020, imports⁶⁾ fell by 7.1% year-on-year to 467.5 billion USD, and exports decreased by 5.4% to 512.8 billion USD over 2019. In particular, imports and exports remarkably dropped during the first half of the year. However, exports improved during the second half of the year as the global economy recovered. Imports continued sluggish on the whole year in 2020.

Figure 4. Current account balance



Note: All growth rates were based on a year-on-year basis
Source: Bank of Korea

6) Figures for imports and exports are the customs-clearance basis



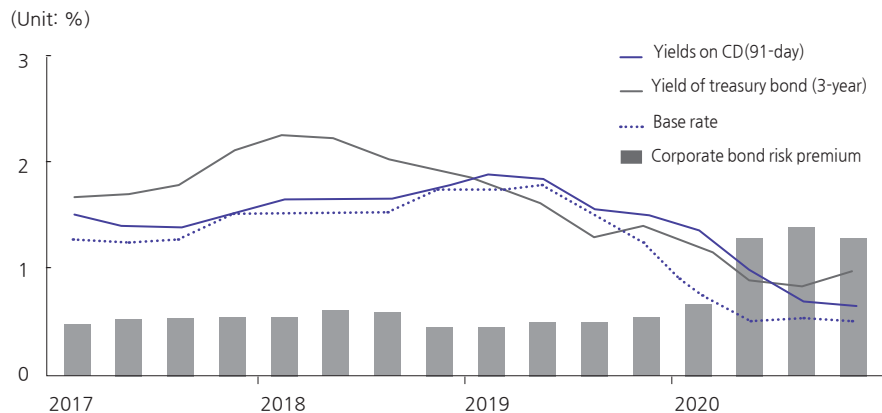
Interest rates



The Bank of Korea (BOK) cut the base rate by 50 basis points in January and 25 basis points in March 2020 in response to the downside risk to the domestic economy and the global economic volatility brought by the Covid-19. After that, the base rate remained at 0.5%, implying that BOK decided to stay the accommodative monetary policy.

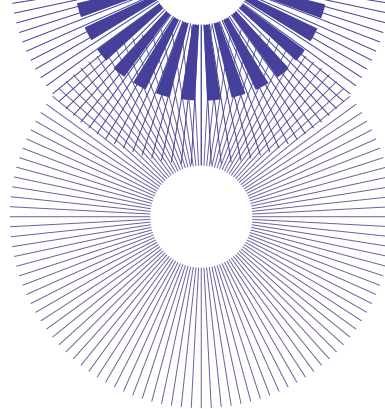
The average 3-year Treasury bond yield in 2020 was 0.99%, 0.55%p lower than in 2019. The secondary market yield on corporate bonds (AA-, 3-years) was 2.13% in 2020, rose by 0.1%p from 2019. The risk premium on corporate bonds⁷⁾ was 1.14% in 2020, considerably increased by 0.65%p from 2019.

Figure 5. Interest rates



Source: Bank of Korea

7) Corporate bond risk premium is calculated as the difference between secondary market yields on 3-year AA-corporate bonds and those on 3-year Korea treasury bonds



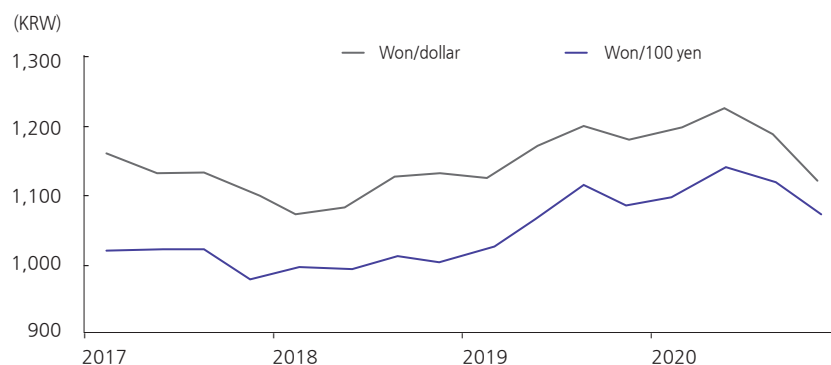
Exchange rates⁸⁾



The average KRW/USD exchange rate increased in 2020 to 1,180.1 KRW from 1,165 KRW in 2019. The exchange rate fluctuated depending on how Covid-19 affected the global financial market and political conditions. In particular, during the second quarter, it considerably rose to 1,220.8 KRW, reflecting concerns about growing uncertainties on liquidity and volatility of foreign currency driven by the spread of Covid-19 and the U.S.-China disputes. However, in the fourth quarter, the KRW/USD exchange rate fell fast to 1,117.6 KRW as the domestic economic indicators exhibited improvement.

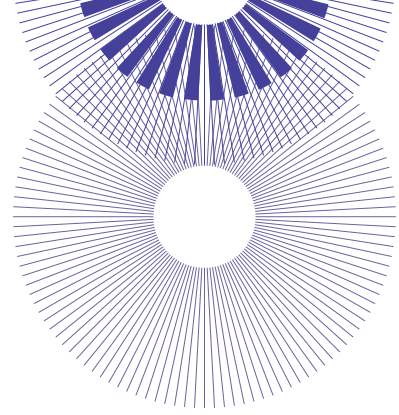
In 2020, the average KRW/JPY exchange rate was 1,105.1 KRW per 100 JPY, ascended by 3.4% from 1,069 KRW per 100 JPY in the previous year, due to the increasing preference for safe assets in the uncertainty over the escalation of U.S.-China disputes and risks related to Covid-19.

Figure 6. Foreign exchange rates



Source: Bank of Korea

8) In this section, rate changes are calculated on a quarter-on-quarter basis



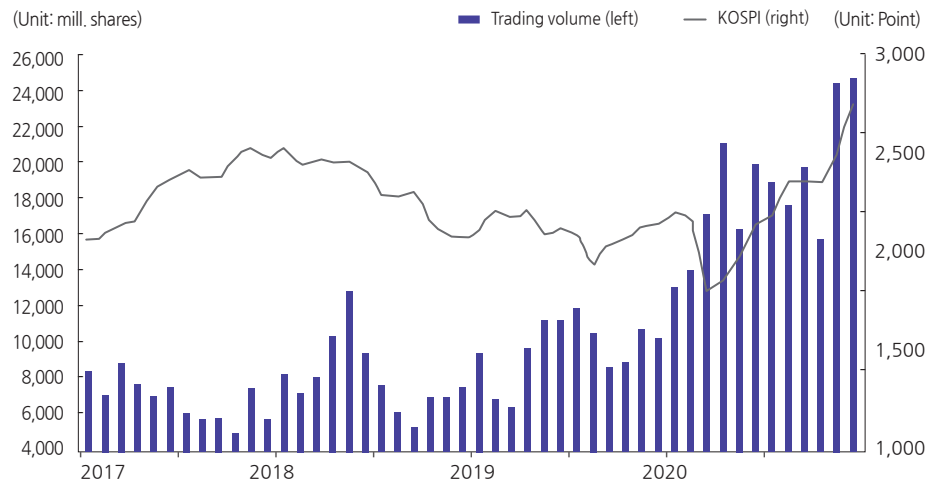
Stock price



The average Korean Composite Stock Price (KOSPI), one of the benchmark stock prices of Korea, recorded 2,220 in 2020. The KOSPI plunged to 1,787 in March 2020 as the Korean economy was likely to experience a significant downturn caused by Covid-19.

However, the KOSPI rebounded in April and then rose to its pre-Covid level for the second half-year. The governmental stimulus program, growing expectations for an economic recovery, and investor sentiment improvement became significant contributions to the surge of stock prices. During the fourth quarter, the KOSPI soared and reached its highest point since 2011 at 2,765 on the 10th of December 2020.

Figure 7. KOSPI and trading volume



Source: Korea Exchange

2021

KOREAN
INSURANCE
INDUSTRY



Insurance market environment

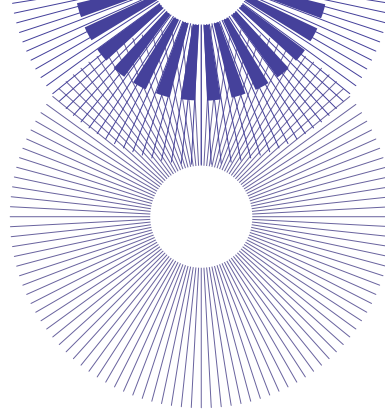
Overview

Premium volumes and
total assets

Market landscape

Status of foreign
insurers

Market concentration



Overview

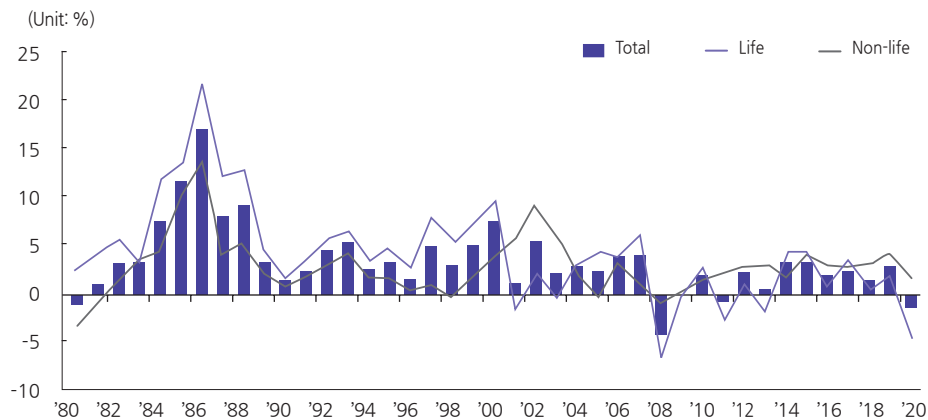


In 2020, the global insurance premiums in real terms decreased by 1.3% over 2019 to 6.3 trillion USD due to the COVID-19 crisis.

Significantly, life insurance global premiums declined by 4.4% over 2019 to 2.8 trillion USD in 2020. The life insurance premiums in advanced markets decreased by 5.7%, while those in emerging markets increased by 0.3% in 2020.

The global non-life insurance premiums rose by 1.5% in 2020. The non-life insurance premiums in advanced and emerging markets increased by 1.5% and 1.3%, respectively.

Figure 8. World real premium growth rate since 1980



Source: Swiss Re (2021), Sigma, No 3

Table 3. World real premium growth rate

(Unit: %)

Classification	Life		Non-life		Total	
	2019	2020	2019	2020	2019	2020
World	1.8	-4.4	3.9	1.5	3.0	-1.3
Advanced markets ¹⁾	0.6	-5.7	3.4	1.5	2.1	-1.8
Emerging markets ²⁾	6.5	0.3	7.0	1.3	6.8	0.8
North America ³⁾	2.9	-1.2	3.4	1.4	3.2	0.7
Advanced EMEA ⁴⁾	3.0	-9.5	2.9	1.2	3.0	-5.7
Advanced Asia-Pacific ⁵⁾	-5.0	-4.6	3.7	2.6	-2.1	-2.6

Note: 1) Advanced markets: US and Canada, advanced EMEA, advanced Asia-Pacific

2) Emerging markets: Latin America and Caribbean, Emerging Europe and Central Asia, Emerging Middle East, Africa, Emerging Asia

3) North America: US and Canada

4) Advanced EMEA: UK, France, Germany, Italy, Netherlands, Spain, Ireland, Switzerland, Belgium, Sweden, Denmark, Luxembourg, Finland, Norway, Austria, Israel, Portugal, Liechtenstein, Malta, Greece, and Cyprus

5) Advanced Asian markets: South Korea, Hong Kong, Singapore, and Taiwan

Source: Swiss Re (2021), Sigma, No 3

The U.S. market maintained the top rank with total premium volume of 2.5 trillion USD in 2020. China was the second in total premium volume, with a market share of 10.4% in 2020.

The total insurance premiums in Korea⁹⁾ were 194 billion USD in 2020, which was increased by 5.1% over 2019 in inflation-adjusted terms. The Korean insurance market ranked seventh in total premium volume, with a market share of 3.1% globally.

Table 4. Total premium volume by country

(Unit: billion USD, %)

Ranking	Country	Premium volume		Changes, 2019		Share of world market, 2020
		2019	2020 ¹⁾	Nominal ²⁾	Inflation-adjusted	
1	United States	2,485	2,531	1.8	0.6	40.3
2	PR China	617	656	6.2	3.6	10.4
3	Japan	428	415	-3.0	-5.4	6.6
4	UK	364	338	-7.0	-8.0	5.4
5	Germany	249	259	3.8	1.2	4.1
6	France	260	231	-11.2	-13.3	3.7
7	Korea	179	194	8.2	5.1	3.1
8	Italy	168	162	-4.0	-5.2	2.6
9	Canada	135	143	6.4	6.8	2.3
10	Taiwan	118	113	-3.8	-7.8	1.8

Note: 1) It is an estimated value

2) Nominal growth rates adjusted for exchange rates and inflation

Source: Swiss Re (2021), Sigma, No 3

9) Swiss Re (2021), Sigma No 3

The global insurance penetration ratio, premiums as a percentage of GDP, was 7.4% in 2020. The global life insurance penetration ratio fell to 3.3% in 2020 from 3.4% in 2019, while global non-life insurance penetration rose to 4.1% in 2020 from 3.9% in 2019.

The insurance penetration ratio of Korea was 11.6% in 2020, ranked the sixth in the world. Korean life insurance penetration ratio rose to 6.4% in 2020 from 5.8% in 2019, and non-life insurance penetration ratio increased to 5.2% in 2020 from 5.0% in 2019.

Table 5. Insurance penetration

(Unit: %)

	2018			2019			2020		
	Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total
Korea	6.1	5.1	11.2	5.8	5.0	10.8	6.4	5.2	11.6
World	3.3	2.8	6.1	3.4	3.9	7.2	3.3	4.1	7.4

Source: Swiss Re (2021), Sigma, No 3

The global insurance density, defined as premiums per capita, was 809 USD in 2020. Globally, life insurance density decreased to 360 USD in 2020 from 379 USD in 2019, while non-life insurance density in the world increased to 449 USD from 439 USD.

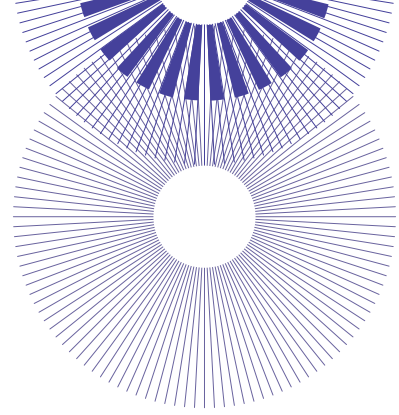
The insurance density of Korea reached 3,741 USD in 2020, ranked the sixteenth in the world. Korean life insurance density and non-life insurance density increased to 2,050 USD and 1,691 USD compared to the previous year, respectively.

Table 6. Insurance density

(Unit: USD)

	2018			2019			2020		
	Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total
Korea	1,898	1,567	3,465	1,822	1,544	3,366	2,050	1,691	3,741
World	370	312	682	379	439	818	360	449	809

Source: Swiss Re (2021), Sigma, No 3



Premium volumes and total assets



The total premium volumes¹⁰⁾ of insurers in Korea was 221.9 trillion KRW in 2020, which grew by 4.3% compared to the previous year.

Life insurance premium volumes rose by 2.0% to 119.6 trillion KRW, led by the improvement of savings type insurance and protection type insurance¹¹⁾.

The total premium volumes of the non-life insurance increased by 7.0% to 102.3 trillion KRW with the growth of long-term insurance¹²⁾ and automobile insurance.

Table 7. Premium volume of Korea

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Life	119,811 (2.2)	113,973 (-4.9)	110,843 (-2.7)	117,262 (5.8)	119,587 (2.0)
Non-life	84,497 (5.3)	88,333 (4.5)	91,065 (3.1)	95,586 (5.0)	102,315 (7.0)
Total	204,308 (3.5)	202,306 (-1.0)	201,908 (-0.2)	212,849 (5.4)	221,902 (4.3)

Note: Figures in parentheses indicate year-on-year growth rates
Source: KIDI, Monthly Insurance Report

- 10) Premium volume is the insurer's direct premiums earned (if non-life insurance) or received (if life insurance) during the previous calendar year
- 11) Protection type insurance is comprised of whole life, critical illness, term life, health insurance, and variable whole life insurance
- 12) Long-term insurance includes savings type products with the maturity of 5~15 years combined with health insurance to cover medical expenses

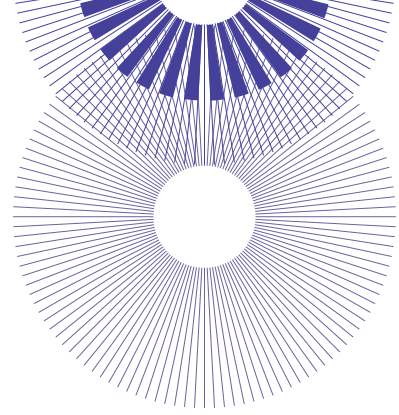
The total assets of insurers in Korea increased by 8.3% to 1,341.1 trillion KRW in 2020. The total assets of life insurers rose by 8.6% to 997.3 trillion KRW, and those of non-life insurers grew by 7.2% to 343.9 trillion KRW in 2020.

Table 8. Total assets of Korean insurers

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Life	782,162 (7.9)	832,837 (6.5)	857,198 (2.9)	918,166 (7.1)	997,278 (8.6)
Non-life	252,005 (11.5)	277,100 (10.0)	297,041 (7.6)	320,751 (7.6)	343,871 (7.2)
Total	1,034,167 (8.8)	1,109,937 (7.3)	1,155,239 (4.1)	1,238,917 (7.2)	1,341,149 (8.3)

Note: Figures in parentheses indicate year-on-year growth rates
Source: KIDI, Monthly Insurance Report



Market landscape



There exist 55 insurers in Korea. The number of life insurers is 24 (15 domestic and 9 foreign insurers), and non-life insurers are 31 (14 domestic and 17 foreign insurers).

The number of life insurers remained unchanged during 2020.

However, the number of non-life insurers increased to 31 in 2020 from 30 in 2019 as Carrot General Insurance (digital-only insurance provider) entered the non-life insurance market in 2020.

Table 9. Number of insurance companies in Korea

Classification	Domestic	Foreign	Sub total
Life Insurance	15	9	24
Primary	13	8	21
Non-Life Insurance	1	9	10
Sub total	14	17	31
Total	29	26	55

Note: 1) All figures are as of December 31, 2020

2) Foreign subsidiaries, branches, and joint ventures, in which foreign shareholders account for more than 50% of company shares, are regarded as foreign insurance companies

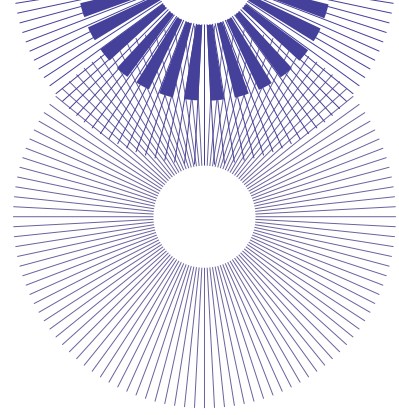
Source: Financial Supervisory Service, KIDI

In 2020, there are 12 listed insurance companies in Korea. The number of listed life insurance companies is 4, and listed non-life companies are 8. There was no change in the number of listed insurance companies since Orange Life Insurance was incorporated as a subsidiary of Shinhan Life Insurance in 2019.

Table 10. Listed insurance companies in Korea

Classification	Company	Listed date
Life Insurance (4)	Tong Yang Life insurance	2009.10.08
	Hanwha Life Insurance	2010.03.17
	Samsung Life Insurance	2010.05.12
	Mirae Asset Life Insurance	2015.07.08
Non-Life Insurance (8)	Meritz Fire & Marine Insurance	1956.09.02
	Korean Reinsurance	1969.12.22
	Lotte Non-life Insurance	1972.04.16
	DB Insurance	1973.06.28
	Heungkuk Fire & Marine Insurance	1974.12.05
	Hanwha General Insurance	1975.06.30
	Samsung Fire & Marine Insurance	1975.06.26
	Hyundai Marine & Fire Insurance	1989.08.25

Note: All figures are as of December 31, 2020
Source: Korea Listed Companies Association



Status of foreign insurers



The share of foreign insurers in Korean life insurance market had gradually increased for several years, reaching 21.0% in 2020. No changes were made in the number of foreign life insurers since Fubon Hyundai was included in the foreign insurers' group in September 2018.

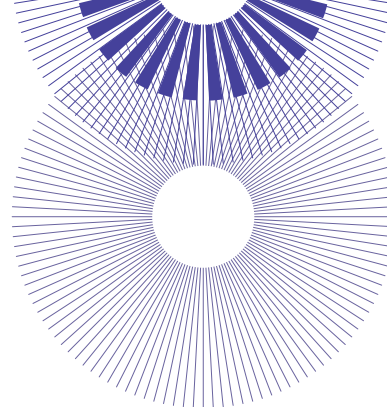
Meanwhile, the share of foreign insurers in the Korean non-life insurance market in 2020 was 2.1%, and the figure had remained the same for the three consecutive years.

Table 11. Premium income and market share of foreign insurers

(Unit: billion KRW, %)

Classification	2016		2017		2018		2019		2020	
	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life
Premium income	19,891	1,707	20,629	1,795	21,346	1,896	24,477	2,030	25,167	2,161
Market share	16.6	2.0	18.1	2.0	19.3	2.1	20.9	2.1	21.0	2.1

Source: KIDI, Monthly Insurance Report



Market concentration

The market share of the top three life insurers (Samsung, Hanwha, Kyobo) slightly fell to 46.5% in 2020. On the other hand, the market share of the top four non-life insurers (Samsung, Hyundai, DB, KB) rose to 68.5% in 2020 from 67.2% in 2019.

Table 12. Market concentration

(Unit: %)

	Ranking	Company	Market share				
			2016	2017	2018	2019	2020
Life	1	Samsung Life	23.3	23.1	22.7	24.1	22.2
	2	Hanwha Life	12.7	12.1	12.8	12.0	12.4
	3	Kyobo Life	10.2	10.2	11.0	10.6	11.9
	4	Mirea Asset Life	4.9	4.9	5.3	6.2	5.8
	5	Nong Hyup Life	7.9	7.1	6.8	5.7	5.3
	6	Shinhan Life	4.5	4.6	4.6	4.5	4.8
	7	Tong Yang Life	5.6	5.2	4.6	4.7	4.8
		Top 3	46.2	45.4	46.5	46.6	46.5
	Ranking	Company	Market				
			2016	2017	2018	2019	2020
Non-life	1	Samsung Fire & Marine	23.6	25.5	23.7	23.9	23.9
	2	Hyundai Marine & Fire	17.0	16.2	16.7	15.7	16.1
	3	DB Insurance	15.5	14.9	14.7	15.5	15.6
	4	KB Insurance	12.7	12.2	12.4	12.1	12.9
	5	Meritz Fire & Marine	7.1	7.2	7.8	8.4	8.9
	6	Hanwha Non-Life	5.9	6.0	6.2	6.2	5.8
	7	Lotte Non-Life	5.2	5.0	5.7	5.8	4.2
		Top 4	68.7	68.8	67.5	67.2	68.5

Source: KIDI, Monthly Insurance Report

2021

KOREAN
INSURANCE
INDUSTRY

Life insurance industry

Statement of financial
position

Income statement

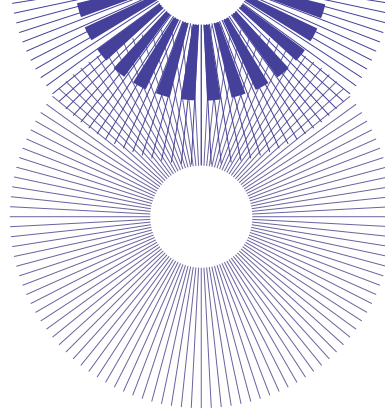
Investment rate of return

Premium income

Expenditures

Management efficiency

Distribution



Statement of financial position¹³⁾

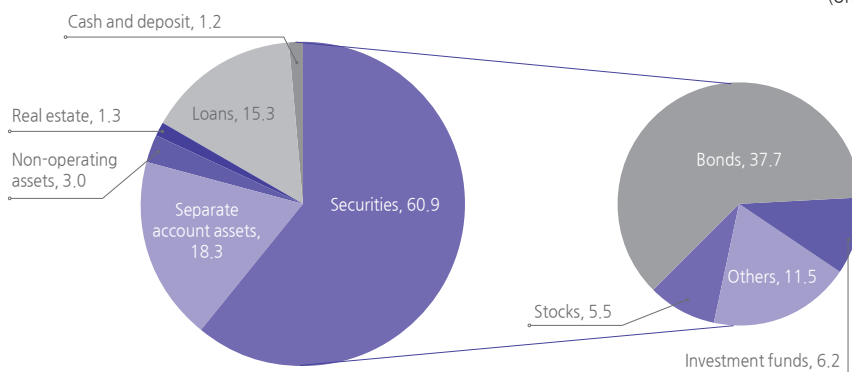


The total assets of life insurers increased by 6.4% in 2020 to 977 trillion KRW from 918 trillion KRW in 2019. General account assets, total assets less the separate assets, rose by 5.1% over 2019. Separate account assets increased by 12.7% to 179 trillion compared to the previous year.

In the asset portfolio of life insurers, securities accounted for 60.9% in 2020; composed of bonds (37.7%), stocks (5.5%), investment funds (6.2%), and others (11.5%). Separate account assets took 18.3% of the total assets. The share of loans was 15.3% and non-operating assets¹⁴⁾ was 3.0% of the total assets. Cash & deposit and real estate was 1.2% and 1.3%, respectively.

Figure 9. Asset portfolio in 2020

(Unit: %)



Note: Others include overseas securities
Source: Financial Supervisory Service

13) As of December 31, 2020

14) It includes the unamortized deferred acquisition cost

Table 13. Summary of statement of financial position

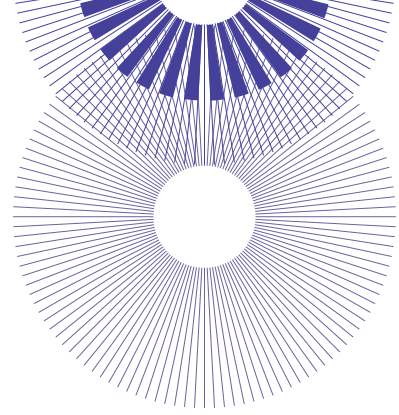
(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Assets					
Cash and deposit	15,152 (1.9)	13,839 (1.7)	15,648 (1.8)	16,745 (1.8)	11,712 (1.2)
Securities	474,826 (60.7)	501,173 (60.2)	520,811 (60.8)	560,664 (61.1)	595,565 (60.9)
Stocks	31,705 (4.1)	39,687 (4.8)	32,309 (3.8)	40,565 (4.4)	53,781 (5.5)
Bonds	325,878 (41.7)	328,359 (39.4)	335,563 (39.1)	349,219 (38.0)	368,234 (37.7)
Investment funds	30,390 (3.9)	35,868 (4.3)	43,697 (5.1)	53,259 (5.8)	60,538 (6.2)
Others	86,853 (11.1)	97,259 (11.7)	109,242 (12.7)	117,621 (12.8)	113,012 (11.6)
Loans	117,733 (15.1)	127,497 (15.3)	137,818 (16.1)	141,995 (15.5)	149,639 (15.3)
Real estate	14,421 (1.8)	13,702 (1.6)	12,816 (1.5)	12,579 (1.4)	12,322 (1.3)
Non-operating assets	27,607 (3.5)	31,007 (3.7)	26,309 (3.1)	27,302 (3.0)	29,052 (3.0)
Separate account assets	132,423 (16.9)	145,609 (17.5)	143,797 (16.8)	158,881 (17.3)	178,988 (18.3)
Total asset	782,162	832,827	857,198	918,166	977,278
Liabilities					
Policy reserves	548,167	581,719	606,089	626,462	649,831
Policyholder equity adjustments	10,120	11,504	10,217	14,877	19,396
Other liabilities	19,522	17,195	18,281	23,443	27,031
Separate account liabilities	138,560	150,963	148,614	166,012	184,441
Total liabilities	716,370	761,380	783,202	830,794	880,699
Shareholders' equity					
Capital stock	10,406	10,269	11,138	11,173	11,514
Capital surplus	6,059	7,021	7,757	7,627	7,737
Retained earnings	29,192	31,453	32,657	34,713	36,307
Capital adjustment	-3,117	-3,119	-3,143	-3,194	-3,291
Other cumulative comprehensive income	23,252	24,117	22,549	33,515	40,091
Total shareholders' equity	65,792	71,447	73,997	87,372	96,580
Total liabilities and shareholders' equity	782,162	832,827	857,198	918,166	977,278

Note: Figures in parentheses indicate percentage share of the total assets
Source: Financial Supervisory Service

In 2020, the total liabilities of life insurers increased to 880.7 trillion KRW from 830.8 trillion KRW in 2019 due to an expansion of premium reserve and guarantee reserve in a low-interest rates environment.

The total shareholders' equity rose to 96.6 trillion KRW in 2020 from 87.4 trillion KRW in 2019. Notably, accumulated other comprehensive income went up to 40.1 trillion KRW in 2020, increased by 19.6% over 2019 due to increased gains on the valuation of the AFS (Available-for-Sale) financial assets.



Income statement



The net income of life insurers in 2020 grew by 10.8% compared to the previous year to 3.5 trillion KRW, mainly attributable to the reduction in deficits from underwriting income despite the decline in investment income.

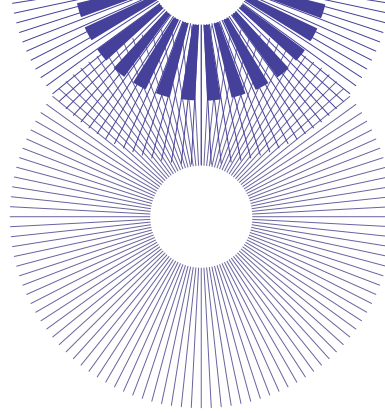
The deficits of net underwriting income reduced to 22.4 trillion KRW from 24.4 trillion KRW due to the increase in sales of endowment insurance. Net investment income in 2020 fell to 22.7 trillion KRW from 23.9 trillion KRW in 2019, mainly due to the decrease in interest income. Other gains in 2020 dropped to 4.1 trillion KRW, down by 8.7% compared to 2019, as the income from commissions of variable insurance declined.

Table 14. Summary of income statement

(Unit: billion KRW, %)

Classification		2016	2017	2018	2019	2020
Income	Underwriting	85,204	81,081	76,906	76,822	81,802
	Investment	29,325	35,763	32,412	33,633	37,667
	Other	4,960	5,393	5,642	5,177	5,177
	Total	119,489	122,237	114,959	115,633	124,585
Expenditure	Underwriting	107,592	102,575	100,543	101,242	104,204
	Investment	7,949	13,769	8,299	9,726	14,947
	Other	820	734	768	707	1,036
	Total	74,485	85,113	86,308	91,806	98,149
Net balance	Underwriting ¹⁾	-22,389	-21,493	-23,638	-24,420	-22,402
	Investment	21,376	21,995	24,113	23,907	22,720
	Other	4,140	4,659	4,873	4,471	4,081
	Total	3,127	5,160	5,349	3,958	4,399
Tax		667	1,245	1,316	839	944
Net income (loss)		2,461	3,915	4,032	3,118	3,454

Note: 1) The figure includes the net balance of policy reserve
Source: KIDI, Monthly Insurance Report

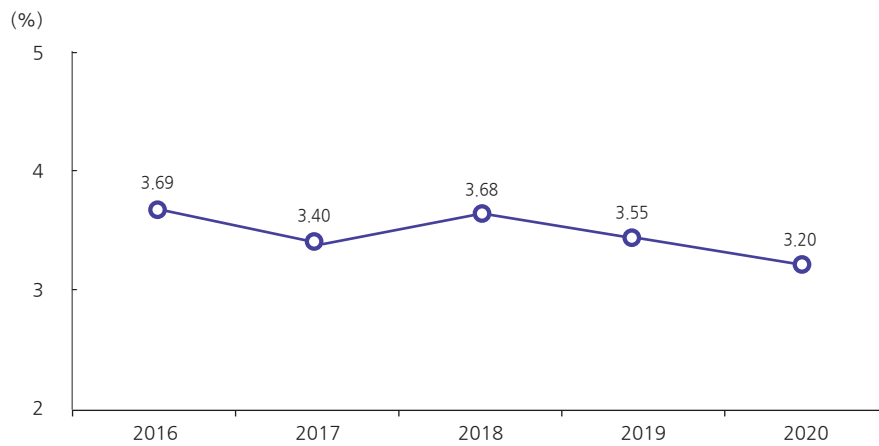


Investment rate of return

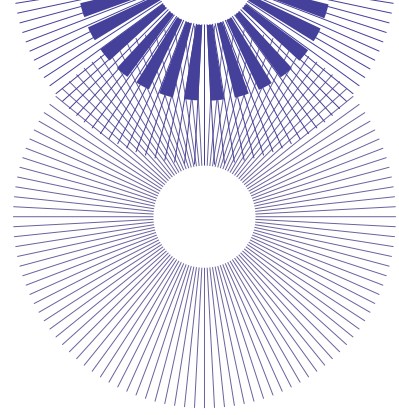


In 2020, the rate of return on the investment of life insurers dropped to 3.20% from 3.55% in 2019. The decrease in the rate of return resulted from a reduction in interest income due to the low-interest rates environment and disposal of the financial asset.

Figure 10. Yield on asset management



Source: KIDI, Monthly Insurance Report



Premium income



1. Trends in insurance contracts

The value of new business contracts bounced back to increase in 2020, while that of lapses and surrenders turned to decrease.

The new business contracts in 2020 was 309.2 trillion KRW, up by 3.0% compared to 2019 with the rise of savings type insurance sales. In contrast, the amounts of lapses and surrenders decreased by 4.8% to 238.0 trillion KRW. The value of business in force in 2020, including existing and new policies but excluding those terminated with maturities, lapses, and surrenders, fell by 0.1% to 2,448.4 trillion KRW from 2,449.7 trillion KRW in 2019.

Table 15. Insurance contracts

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
New business	365,290 (-7.6)	322,305 (-11.8)	302,770 (-6.1)	300,287 (-0.8)	309,191 (3.0)
Lapses & surrenders	236,401 (1.9)	238,032 (0.7)	243,658 (2.4)	249,939 (2.6)	237,963 (-4.8)
Business in force	2,470,850 (2.8)	2,488,756 (0.7)	2,473,417 (-0.6)	2,449,696 (-1.0)	2,448,368 (-0.1)

Note: Figures in parentheses indicate growth rates
Source: KIDI, Monthly Insurance Report

2. Premium income by product type¹⁵⁾

The life insurance premium income in 2020 rose by 2.0% over 2019 to 119.6 trillion KRW. Whereas pure endowment, variable, and group insurance premium income decreased, protection and endowment insurance premiums increased. In particular, endowment insurance premium income went up significantly as insurers' competitiveness in interest rates was strengthened temporarily compared to other financial industries.

Pure endowment insurance¹⁶⁾

Premium income from pure endowment insurance was 23.1 trillion KRW in 2020, which decreased by 1.1% compared to 2019.

Protection type insurance¹⁷⁾

The premium income from protection type insurance expanded to 46.1 trillion KRW in 2020, which increased by 3.8% year-on-year base.

Endowment insurance¹⁸⁾

The endowment insurance premium income grew significantly by 12.4% over 2019 to 27.0 trillion KRW in 2020.

15) Life insurance is classified as pure endowment, protection type, endowment, and group insurance. The variable insurance such as variable whole life, variable annuity, and variable universal life insurance came under each product type, according to the risk covered

16) Pure endowment insurance consists of annuity and variable annuity

17) Protection type insurance is comprised of whole life, critical illness, term life, health insurance, and variable whole life insurance

18) Endowment insurance consists of tax-favored savings type insurance and variable universal life insurance

Group insurance¹⁹⁾

The group insurance premium income declined by 8.3% to 23.3 trillion KRW in 2020, mainly resulted from the drop in premiums from pension plans.

Variable insurance²⁰⁾

As the KOSPI index soared, the new policy of variable insurance increased. However, at the same time, the amount of lapse and surrender of variable insurance rose as well, which resulted in the reduction of premium income in variable insurance as a whole. The premium income from variable insurance products was 17.2 trillion KRW, which went down by 2.6% over 2019. In detail, the premium income from variable annuity and variable universal life decreased compared to 2019, while that of variable whole life increased.

Table 16. Premium income by product type

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Individual total	102,324 (-0.4)	98,302 (-3.9)	93,209 (-5.2)	91,858 (-1.4)	96,285 (4.8)
Pure endowment	28,848 (-11.9)	26,980 (-6.5)	24,444 (-9.4)	23,359 (-4.4)	23,104 (-1.1)
Protection type	40,289 (6.6)	41,759 (3.6)	42,786 (2.5)	44,447 (3.9)	46,140 (3.8)
Endowment	33,187 (3.0)	29,563 (-10.9)	25,980 (-12.1)	24,052 (-7.4)	27,041 (12.4)
Variable	19,406 (-6.0)	19,624 (1.1)	18,835 (-4.0)	17,687 (-6.1)	17,224 (-2.6)
Group	17,487 (20.8)	15,671 (-10.4)	17,634 (12.5)	25,405 (44.1)	23,303 (-8.3)
Total	119,811 (2.2)	113,973 (-4.9)	110,843 (-2.7)	117,262 (5.8)	119,587 (2.0)

Note: 1) Figures in parentheses indicate growth rates

2) Pure endowment insurance, protection type insurance, and endowment insurance include variable annuity, variable whole life insurance, and variable universal life insurance, respectively

Source: KIDI, Monthly Insurance Report

19) Group insurance are comprised of pension plans and general group insurance

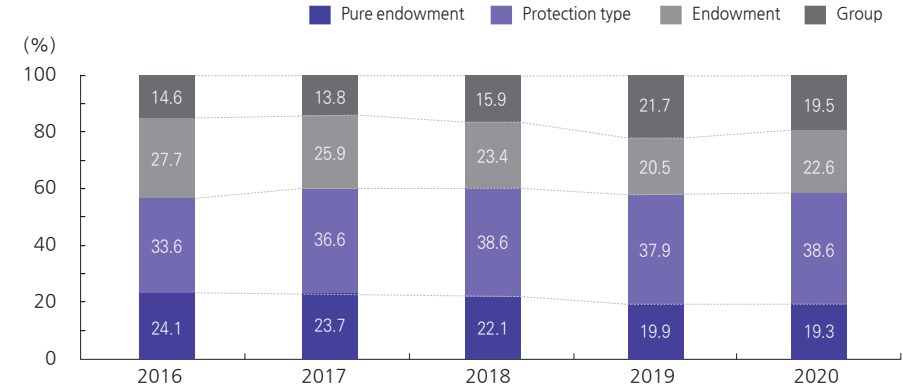
20) Variable insurance consists of variable whole life, variable annuity and others

3. The market share of premium income by product type

Overall, the share of pure endowment and group insurance decreased, while the share of protection type and endowment insurance increased.

The portion of pure endowment, protection type, group insurance was 19.3%, 38.6%, and 19.5%, respectively. The share of endowment insurance rose to 22.6% in 2020 from 20.5% in 2019, as the premium paid in lumpsum increased.

Figure 11. Market share by insurance product type



Source: KIDI, Monthly Insurance Report

4. Premium income by company group

There was nearly no change in the life insurance market shares by company group in 2020, except that the market share of the top three insurers slightly decreased by 0.1%p and that of foreign insurers' increased only by 0.1%p.

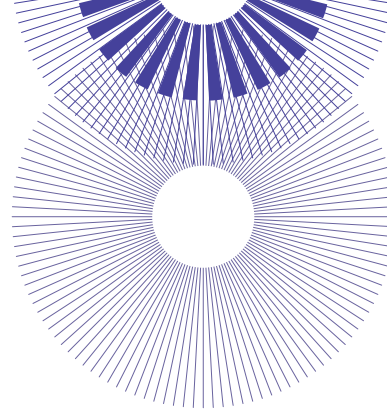
The life insurance market shares of the top three insurers, other domestic insurers, and foreign insurers were 46.5%, 32.5%, and 21.0%, respectively.

Table 17. Premium income by company group

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Top three companies	55,307 (46.2)	51,756 (45.4)	51,566 (46.5)	54,698 (46.6)	55,595 (46.5)
Other domestic companies	44,613 (37.2)	41,539 (36.4)	37,930 (34.2)	38,088 (32.5)	38,825 (32.5)
Foreign companies	19,891 (16.6)	20,679 (18.1)	21,346 (19.3)	24,477 (20.9)	25,167 (21.0)
Total	119,811 [2.2]	113,973 [-4.9]	110,843 [-2.7]	117,262 [5.8]	119,587 [2.0]

Note: The figures in parentheses and brackets indicate percentage shares and growth rates, respectively
Source: KIDI, Monthly Insurance Report



Expenditures



The claims paid by life insurers in 2020 grew by 3.5% from 2019 to 95.2 trillion KRW. In particular, claims paid of pure endowment insurance rose by 8.9% over the previous year.

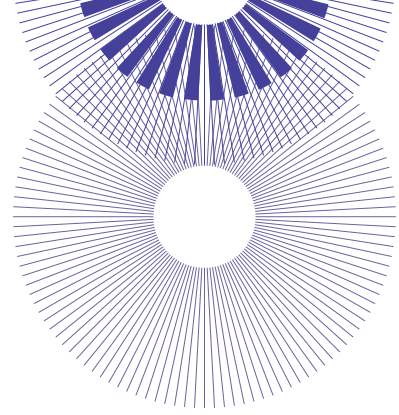
The operating expenses of life insurers, comprised of acquisition costs, administration expenses, and deferred acquisition costs, summed up to 9.5 trillion KRW in 2020, down by 1.7% from 2019.

Table 18. Claims paid and operating expenses

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Claims paid	71,683 (7.0)	79,437 (10.8)	86,071 (8.4)	92,069 (7.0)	95,247 (3.5)
Operating expenses	8,317 (3.4)	8,677 (4.3)	9,443 (8.8)	9,626 (1.9)	9,465 (-1.7)

Note: Figures in parentheses indicate annual growth rates
Source: KIDI, Monthly Insurance Report



Management efficiency



The ratio of claims paid, defined as claims paid per premium income, has been increasing since 2014 and the figure was 79.6% in 2020.

The ratio of lapses and surrenders, calculated as contracts amount of lapses and surrenders divided by contracts amount of business in force at the beginning of the fiscal year and new business value, was 8.6% in 2020. This figure decreased by 0.4%p compared to 2019.

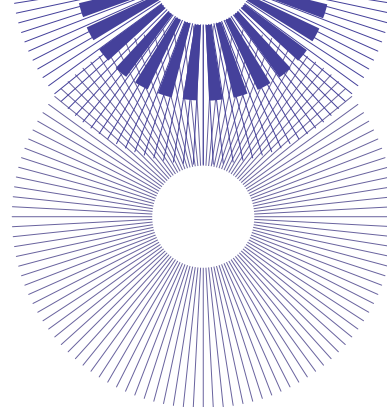
The ratio of operating expenses in 2020 was 12.9%.

Table 19. Management efficiency

(Unit: %)

Classification	2016	2017	2018	2019	2020
Ratio of claims paid	59.8	69.7	77.7	78.5	79.6
Ratio of lapses and surrenders	8.5	8.5	8.8	9.0	8.6
Ratio of operating expenses	12.9	13.5	13.6	13.1	12.9

Source: KIDI, Monthly Insurance Report



Distribution



1. The market share by distribution channel

With the increased sales of savings type insurance products in 2020, bancassurance was the dominant channel taking 48.4% of the market share in total initial premium income.

The market share of direct writers in 2020 dropped by 2.9%p to 34.9% over 2019, driven by decreased sales of pension plans.

Meanwhile, the market share of solicitors and agents in 2020 fell to 10.9% and 5.6%, respectively, as the face-to-face channel shrank due to the spread of Covid-19.

Table 20. Market share by distribution channel (initial premium income)

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Direct writers	3,166 (20.5)	2,960 (24.3)	3,709 (34.0)	4,686 (37.8)	5,747 (34.9)
Solicitors	2,532 (16.4)	2,237 (18.4)	1,494 (13.7)	1,379 (11.1)	1,796 (10.9)
Agents	978 (6.3)	873 (7.2)	646 (5.9)	753 (6.1)	917 (5.6)
Brokers	11 (0.1)	14 (0.1)	17 (0.2)	22 (0.2)	21 (0.1)
Bancassurance	8,749 (56.6)	6,061 (49.7)	4,992 (45.8)	5,548 (44.8)	7,974 (48.4)
Others	35 (0.2)	40 (0.3)	45 (0.4)	8 (0.1)	8 (0.0)
Total	15,470 (100.0)	12,185 (100.0)	10,903 (100.0)	12,395 (100.0)	16,461 (100.0)

Note: Figures in parentheses indicate percentage market shares
Source: KIDI, Monthly Insurance Report

2. Numbers of solicitors and insurance agents

The number of solicitors had decreased steadily for several years as many solicitors have transferred to GA (General Agency) from their insurers since 2013. However, the number of solicitors turned to increase in 2020, which was 93,707.

The number of direct writers was 24,961, which decreased by 1.6% over 2019. The number of agents in 2020 was 6,324, slightly delined by 1.6% from 2019 as both individual agents and juridical persons decreased.

Table 21. Numbers of direct writers, solicitors, and agents

(Unit: persons, %)

Classification	2016	2017	2018	2019	2020
Direct writers	26,890 (-1.5)	25,391 (-5.6)	25,450 (0.2)	25,362 (-0.3)	24,961 (-1.6)
Solicitors ²⁾	111,813 (-4.7)	107,037 (-4.3)	95,679 (-10.6)	92,286 (-3.5)	93,707 (1.5)
Agents ³⁾	6,324 (5.2)	6,450 (2.0)	6,224 (-3.5)	6,429 (3.3)	6,324 (-1.6)

Note: 1) Figures in parentheses indicate annual growth rates

2) The figures of solicitors exclude cross-selling solicitors

3) The figures of agents indicate the number of agencies

Source: KIDI, Monthly Insurance Report

2021

KOREAN
INSURANCE
INDUSTRY

Non-life insurance industry

Statement of financial
position

Income statement

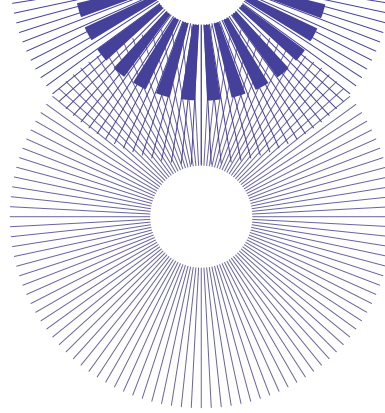
Investment rate of return

Direct premiums written

Expenditures

Management efficiency

Distribution



Statement of financial position²¹⁾

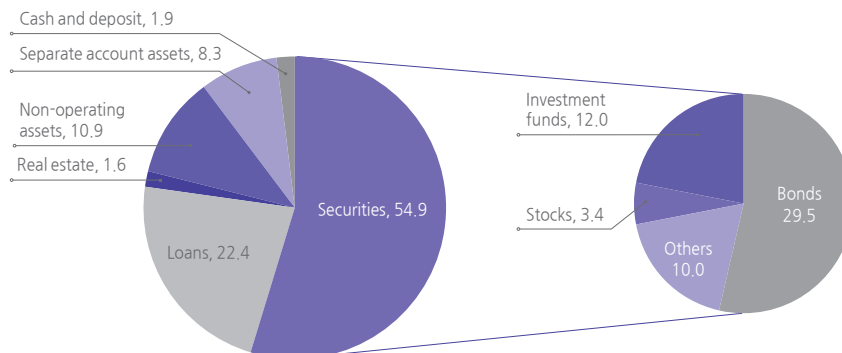


The total assets of non-life insurers in 2020 were 344.1 trillion KRW, which increased by 7.3% over 2019. General account assets, which excluded separate account assets from the total assets, grew by 7.1% over 2019. Separate account assets rose by 9.7% over 2019 because of the robust growth in pension plans.

In 2020, the share of securities fell by 0.2%p over 2019 to 54.9%. Securities took the most significant portion of the total assets of non-life insurers, and it was composed of bonds (29.5%), stock (3.4%), investment funds (12.0%), and others (10%) in 2020. Loans accounted for 22.4% in the asset portfolio in 2020. The share of non-operating assets rose to 10.9% in 2020 from 10.6% in 2019. The cash & deposits and real estate in 2020 was 1.9%, 1.6%, which decreased by 0.3%p, 0.2%p over 2019, respectively.

Figure 12. Asset portfolio in 2020

(Unit: %)



Note: Others include overseas securities
Source: Financial Supervisory Service

21) As of December 31, 2020

Table 22. Summary of statement of financial position

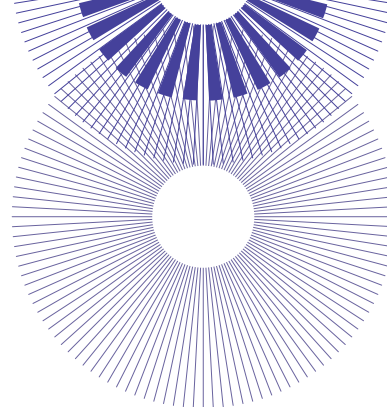
(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Assets					
Cash and deposits	6,925 (2.7)	6,817 (2.5)	7,691 (2.6)	6,943 (2.2)	6,522 (1.9)
Securities	134,350 (53.3)	147,149 (53.1)	159,841 (53.6)	176,614 (55.1)	188,826 (54.9)
Stocks	7,540 (3.0)	9,268 (3.3)	7,358 (2.5)	8,754 (2.7)	11,704 (3.4)
Bonds	76,328 (30.3)	82,643 (29.8)	90,246 (30.3)	94,638 (29.5)	101,511 (29.5)
Investment funds	21,601 (8.6)	24,800 (8.9)	28,753 (9.6)	36,023 (11.2)	41,253 (12.0)
Others	28,881 (11.5)	30,439 (11.0)	33,485 (11.2)	37,226 (11.6)	34,358 (10.0)
Loans	57,939 (23.0)	65,309 (23.6)	69,378 (23.3)	71,042 (22.2)	76,985 (22.4)
Real estate	6,501 (2.6)	6,017 (2.2)	5,987 (2.0)	5,930 (1.8)	5,661 (1.6)
Non-operating assets	29,121 (11.6)	31,141 (11.2)	31,425 (10.5)	33,961 (10.6)	37,421 (10.9)
Separate account assets	17,171 (6.8)	20,664 (7.5)	23,718 (8.0)	26,134 (8.2)	28,681 (8.3)
Total assets	252,005	277,097	298,041	320,652	344,096
Liabilities					
Policy reserves	186,891	203,264	217,151	230,908	244,943
Other liabilities	14,422	15,550	17,457	20,595	21,568
Separate account liabilities	18,233	23,085	25,232	26,292	30,905
Total liabilities	219,546	241,898	259,840	277,796	297,416
Shareholders' equity					
Capital stock	2,779	2,994	2,689	3,108	3,459
Capital surplus	3,113	3,037	3,074	3,412	3,554
Retained earnings	22,096	24,771	26,912	27,822	29,503
Capital adjustment	-1,373	-1,608	-1,622	-1,657	-1,892
Other cumulative comprehensive Income	5,845	6,005	7,147	10,170	12,056
Total shareholders' equity	32,460	35,199	38,201	42,856	46,680
Total liabilities and shareholders' equity	252,005	277,097	298,041	320,652	344,096

Note: Figures in parentheses indicate percentage share of total assets
Source: Financial Supervisory Service

In 2020, the total liabilities of non-life insurers increased to 297.4 trillion KRW from 277.8 trillion KRW in 2019, driven by the steady growth in long-term policy reserves.

The total equity of shareholders in 2020 rose to 46.7 trillion KRW from 42.9 trillion KRW in 2019, which was resulted from the increase in capital surplus and retained earnings.



Income statement



Net income of non-life insurers in 2020 increased by 17.3% over 2019 to 2.6 trillion KRW.

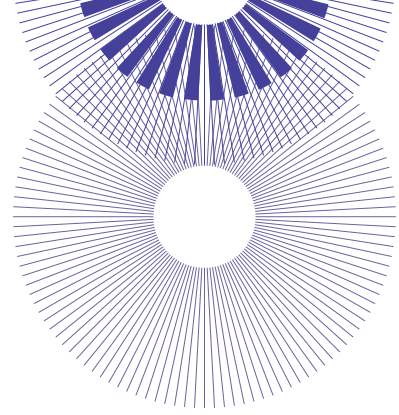
The deficit from underwriting decreased to 4.4 trillion KRW in 2020 from 6.0 trillion KRW in 2019 as the loss ratio of automobile insurance and long-term insurance fell. The surplus from investment reduced to 8.2 trillion KRW in 2020 from 9.1 trillion KRW in 2019, mainly due to the decline of gains on interest income.

Table 23. Summary of income statement

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020	
Income	Underwriting	74,598	76,755	78,876	81,761	86,116
	Investment	9,781	11,770	10,844	12,665	12,859
	Other	349	369	380	460	444
	Total	84,728	88,893	90,100	94,886	99,419
Expenditure	Underwriting	76,644	78,596	82,008	87,772	90,482
	Investment	3,027	4,584	3,108	3,536	4,634
	Other	557	550	573	554	663
	Total	80,228	83,730	85,689	91,862	95,779
Net balance	Underwriting	-2,046	-1,841	-3,132	-6,011	-4,366
	Investment	6,754	7,186	7,736	9,129	8,225
	Other	-208	-181	-193	-94	-219
	Total	4,500	5,163	4,411	3,023	3,640
Tax	1,031	1,310	1,157	790	1,021	
Net income (loss)	3,469	3,853	3,254	2,233	2,619	

Source: Financial Supervisory Service

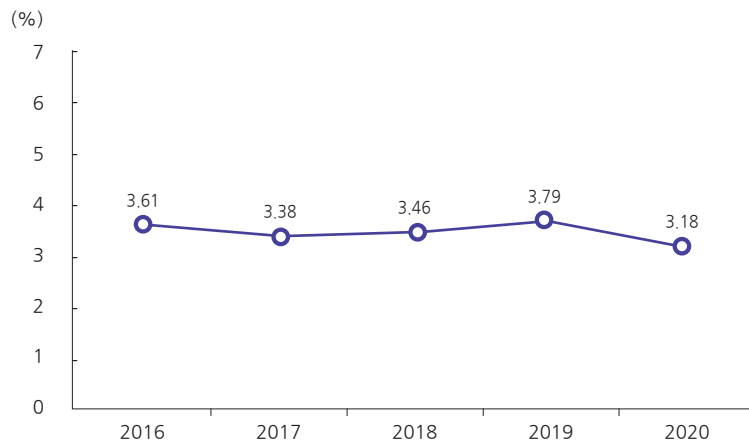


Investment rate of return

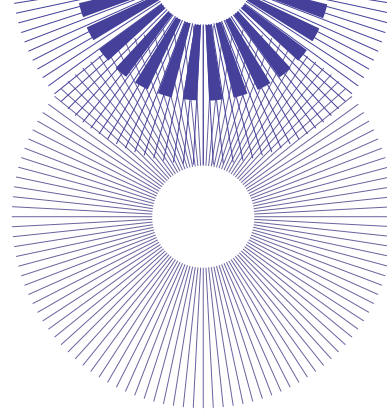


In 2020, the return rate on non-life insurers' investment fell to 3.18% from 3.79% in 2019. There was a possibility that the rate of return of non-life insurers rose slightly derived from the increased gains on the disposal of financial assets. However, as a consequence of a persisted low-interest rates environment, the return rate on non-life insurers' investment had substantially declined.

Figure 13. Yield on asset management



Source: KIDI, Monthly Insurance Report



Direct premiums written



The direct premiums written²²⁾ of non-life insurance²³⁾ in 2020 amounted to 102.3 trillion KRW. The growth rate rose to 7.0% in 2020 from 5.0% in 2019.

In particular, the growth rate of the direct premiums written in marine insurance and automobile insurance represented a steep rise, recording 17.4% and 11.6%. The direct premiums written from fire insurance, guarantee insurance, casualty insurance, and long-term insurance increased by 1.6%, 5.0%, 8.6%, and 5.3% over 2019, respectively. On the other hand, the direct premiums written from individual annuity in 2020 decreased by 9.1% over 2019.

1. Direct premiums written by line of business

Fire insurance

The direct premiums written from fire insurance in 2020 grew by 1.6% to 276 billion KRW. The increase in fire insurance premiums was due to the expansion of new policies related to residential fires.

Marine insurance

In 2020, marine insurance premium income was 704 billion KRW, up by 17.4% over 2019 due to the slight increase in space insurance related to satellites and cargo insurance amid the recovery of the shipbuilding industry.

22) Direct premiums written are the total premiums before considering reinsurance ceded in non-life insurance

23) Non-life insurance consists of fire, marine, automobile, guarantee, casualty insurances, and non-traditional business, such as long-term insurance, annuities, and retirement pension plans

Table 24. Direct premiums written by line

(Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Fire	301 (-1.0)	297 (-1.5)	275 (-7.2)	272 (-1.2)	276 (1.6)
Marine	608 (-14.3)	644 (5.9)	595 (-7.6)	600 (0.8)	704 (17.4)
Automobile	16,405 (9.4)	16,857 (2.8)	16,720 (-0.8)	17,568 (5.1)	19,613 (11.6)
Guarantee	1,591 (0.6)	1,744 (9.6)	1,954 (12.1)	1,934 (-1.0)	2,030 (5.0)
Casualty	5,468 (5.9)	5,783 (5.8)	6,198 (7.2)	6,517 (5.1)	7,077 (8.6)
Long-term	47,773 (2.6)	49,088 (2.8)	50,574 (3.0)	53,099 (5.0)	55,922 (5.3)
Annuities	3,877 (-3.6)	3,701 (-4.5)	3,516 (-5.0)	3,291 (-6.4)	2,992 (-9.1)
Pension plans ²⁾	7,939 (24.7)	9,778 (23.1)	10,778 (10.2)	11,778 (9.3)	13,118 (11.4)
Overseas direct	536 (0.9)	445 (-16.9)	454 (2.1)	528 (16.1)	582 (10.4)
Total	84,497 (5.3)	88,333 (4.5)	91,065 (3.1)	95,586 (5.0)	102,315 (7.0)

Note: 1) The figures in parentheses indicate growth rates

2) Pension plans include retirement insurance

Source: KIDI, Monthly Insurance Report

Automobile insurance

The premium income from automobile insurance amounted to 19.6 trillion KRW in 2020, which increased by 11.6% over 2019. It was mainly caused by the increased premium rate applied from February. Furthermore, due to the lowered individual consumption tax for passenger cars as a part of economic stimulus measures to respond to the financial crisis following the COVID-19, sales of passenger cars increased. As a result, the premium income of automobile insurance mounted accordingly.

Guarantee insurance

In 2020, guarantee insurance premium income grew by 5.0% over 2019 to 2.0 trillion KRW, driven by the government's support policy responses to COVID-19, such as boosting the mid-range interest rate loan market.

Casualty insurance²⁴⁾

The premium income from casualty insurance in 2020 was 7.1 trillion KRW, up by 8.6% over 2019. This growth was mainly from increasing new policies in crop damage insurance and liability insurance that were mandatory to subscribe.

Long-term insurance²⁵⁾

In 2020, the premium income from long-term insurance grew by 5.3% over 2019 to 55.9 trillion KRW. The increase was due to the accident and sickness insurance and driver insurance. Accident and sickness insurance premium income in 2020 sharply rose by 10.1% over 2019. The growth was from increased new sales that sold before the higher premium rate applied and the renewal premiums. Driver insurance premium income in 2020 grew by 9.7% over 2019 as the new policies increased following the Min-sik's Law²⁶⁾ enforced to strengthen traffic safety for children on March 25. On the other hand, the premiums for savings type insurance decreased by 20.0% over 2019, primarily derived from low-interest rates and reduced sales incentives.

Annuities²⁷⁾

In 2020, the premium income from individual annuity decreased by 9.1% over 2019 to 3.0 trillion KRW, which was led by the reduced tax benefits and low-interest rates. This downward trending has been shown for the last several years and is expected to continue for a while.

Pension plan

The premium income from retirement pension plans in 2020 increased by 11.4% over 2019 to 13.1 trillion KRW due to the growth of Individual Retirement Pension plans ("IRP").

24) Casualty insurance consists of various insurances, which covers the risks such as liability, accident, theft, damage of objects and so forth

25) Long-term insurance includes savings type products with the maturity of 5~15 years combined with health insurance to cover medical expenses

26) Min-sik's Law is a legislative bill proposed to honor Kim Min-sik, a child who died in a traffic accident in a school zone on September 11, 2019

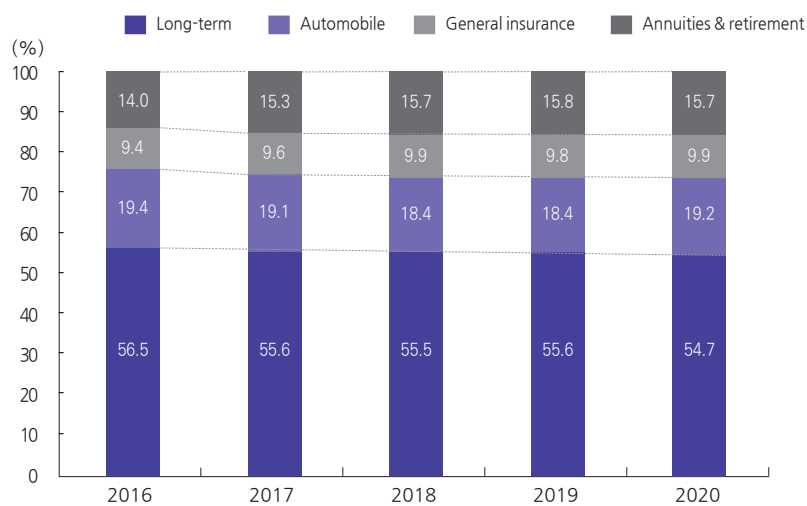
27) Non-life insurers are permitted to sell annuities qualified for tax breaks. Also, the premium income of annuities is usually associated with regulation changes for tax breaks

2. The market share of direct premiums written by line

Overall, the share of automobile insurance and general insurance increased while the shares of the direct premiums in long-term insurance and pension plans²⁸⁾ decreased in the non-life insurance market in 2020.

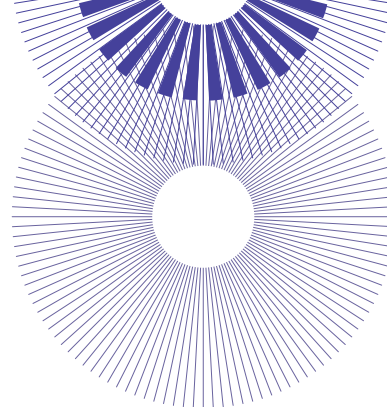
The share of long-term insurance and pension plans declined to 54.7%, 15.7% in 2020 from 55.6%, 15.8% in 2019. Meanwhile, automobile and general insurance accounted for 19.2%, 9.9% in 2020, which increased by 0.8%p, 0.1%p over 2019, respectively.

Figure 14. Market share by line



Note: General insurance includes fire, marine, guarantee, casualty, and overseas direct insurance
Source: KIDI, Monthly Insurance Report

28) The retirement products include annuities and pension plans



Expenditures



1. Incurred losses by line

The incurred losses increased in all non-life insurers' business lines and total incurred losses was 65.8 trillion KRW in 2020 from 63.1 trillion KRW in 2019.

Automobile insurance incurred losses grew to 14.9 trillion KRW in 2020 from 14.8 trillion KRW in 2019. The incurred losses from guarantee insurance, casualty insurance, and long-term insurance in 2020 increased to 1.0 trillion KRW, 4.8 trillion KRW, and 44.7 trillion KRW, respectively. For the fire insurance and marine insurance, the incurred losses rose to 187 billion KRW and 243 billion KRW.

Table 25. Incurred losses by line

(Unit: billion KRW)

Classification	2016	2017	2018	2019	2020
Fire	155	122	132	155	187
Marine	220	164	189	198	243
Automobile	12,356	12,661	13,545	14,771	14,853
Guarantee	548	592	666	911	1,021
Casualty	3,210	3,625	4,076	4,402	4,799
Long-term	39,542	39,722	40,273	42,673	44,662
Total ¹⁾	56,031	56,886	58,880	63,110	65,765

Note: 1) Overseas direct insurance, reinsurance assumed overseas, annuities and pension plans are excluded
Source: KIDI, Monthly Insurance Report

2. Net operating expenses by line

Net operating expenses of non-life insurers in 2020 amounted to 17.6 trillion KRW, which was 0.3 trillion KRW higher than 17.3 trillion KRW in 2019.

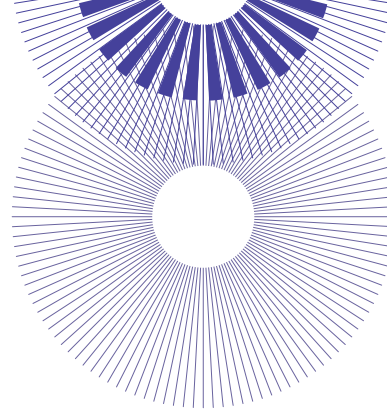
For automobile insurance, casualty insurance, and long-term insurance, net operating expenses in 2020 increased to 2.9 trillion KRW, 1.3 trillion KRW, and 13.0 trillion KRW, respectively. In addition, the net operating expenses of fire insurance and guarantee insurance in 2020 grew to 114 billion KRW and 261 billion KRW. For marine insurance, net operating expenses in 2020 fell to 92 billion KRW from 101 billion KRW in 2019.

Table 26. Net operating expenses by line

(Unit: billion KRW)

Classification	2016	2017	2018	2019	2020
Fire	119	123	119	113	114
Marine	97	98	105	101	92
Automobile	2,875	2,998	2,868	2,807	2,885
Guarantee	243	262	299	244	261
Casualty	905	1,035	1,098	1,246	1,257
Long-term	9,144	10,169	11,299	12,821	12,989
Total ¹⁾	13,384	14,685	15,788	17,331	17,599

Note: 1) Overseas direct insurance, reinsurance assumed overseas, annuities and pension plans are excluded
Source: KIDI, Monthly Insurance Report



Management efficiency



1. Loss ratios by line

The loss ratio of non-life insurers was 82.3% in 2020, 1.2%p lower than 83.5% in 2019.

Notably, the loss ratio of automobile insurance fell by 7.2%p due to decreased vehicles driven during the COVID-19. On the other hand, those of fire insurance and marine insurance in 2020 increased by 18.4%p and 10.7%p over 2019, 82.8% and 82.3%, respectively.

Table 27. Earned-incurred loss ratio by line

(Unit: %)

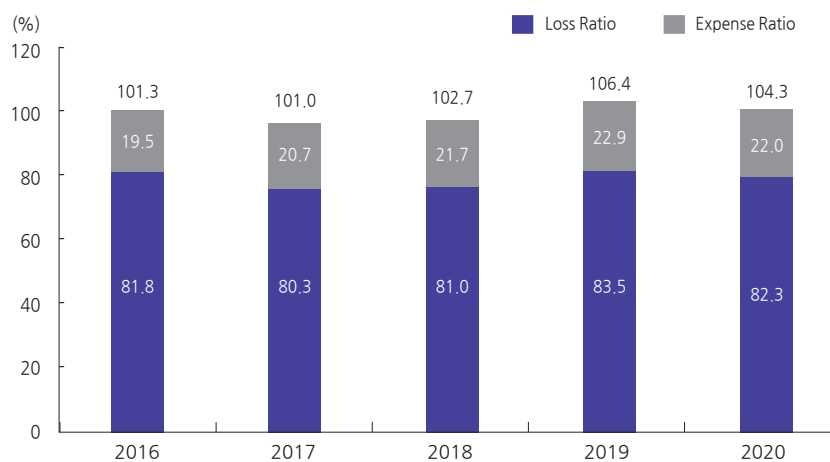
Classification	2016	2017	2018	2019	2020
Fire	56.5	48.0	51.0	64.4	82.8
Marine	73.2	55.5	65.6	71.6	82.3
Automobile	83.0	80.9	86.4	92.8	85.6
Guarantee	41.9	44.1	46.6	60.7	67.1
Casualty	67.3	69.7	72.4	73.3	78.6
Long-term	84.3	82.7	81.6	82.7	82.1
Total ¹⁾	81.8	80.3	81.0	83.5	82.3

Note: 1) Overseas direct insurance, reinsurance assumed overseas, annuities and pension plans are excluded
Source: KIDI, Monthly Insurance Report

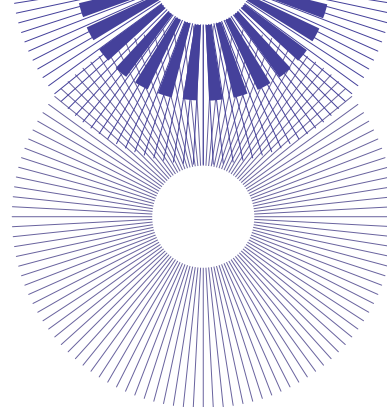
2. Expense and combined ratios

The loss ratio and the expense ratio of non-life insurers in 2020 dropped by 1.2%p and 0.9%p over 2019, respectively. Hence, the combined ratio of non-life insurers, the sum of the loss ratio and expense ratio, was 104.3% in 2020, which was 2.2%p lower than 106.5% in 2019.

Figure 15. Combined ratios



Note: Overseas direct insurance, reinsurance assumed overseas, annuities and pension plans are excluded
Source: KIDI, Monthly Insurance Report



Distribution



1. The market share by distribution channel

As the largest distribution channel, the agents accounted for 44.1% in 2020. The market share of direct writers in 2020 was 26.3%, increased by 1.8%p over 2019. The share of premium income from solicitors in 2020 was 22.6%, which decreased by 1.1%p over 2019.

The market share of bancassurance showed a downward trend for the last five years and recorded 5.5% in 2020, which is 0.5%p lower than 2019. The market share of brokers and insurance pool in 2020 was 1.3% and 0.3%, the same as in 2019.

Table 28. Market share by distribution channel (total premium income) (Unit: billion KRW, %)

Classification	2016	2017	2018	2019	2020
Direct writers	16,713 (19.8)	19,495 (22.1)	21,183 (23.3)	23,357 (24.5)	26,693 (26.3)
Solicitors	22,020 (26.1)	23,013 (26.1)	22,320 (24.5)	22,602 (23.7)	22,995 (22.6)
Agents	36,550 (43.3)	37,512 (42.5)	39,919 (43.8)	42,348 (44.3)	44,807 (44.1)
Brokers	805 (1.0)	978 (1.1)	1,127 (1.2)	1,234 (1.3)	1,331 (1.3)
Bancassurance	8,088 (9.6)	7,090 (8.0)	6,299 (6.9)	5,718 (6.0)	5,549 (5.5)
Insurance pool	323 (0.4)	245 (0.3)	216 (0.2)	240 (0.3)	293 (0.3)
Total	84,499 (100.0)	88,335 (100.0)	91,066 (100.0)	95,498 (100.0)	101,667 (100.0)

Note: 1) Figures in parentheses indicate percentage market shares

2) The premium income of pension plans is included

3) Company employees include telemarketing (TM) and computer marketing (CM)

Source: KIDI, Monthly Insurance Report

2. Numbers of solicitors and insurance agents

The number of direct writers in the non-life insurance market was 33,461 in 2020, which rose by 2.3% over 2019.

The number of solicitors and agents increased by 11.2%, 1.7% over 2019, and recorded 102,552 and 28,247 in 2020.

Table 29. Numbers of direct writers, solicitors, and insurance agents

(Unit: persons, %)

Classification	2016	2017	2018	2019	2020
Direct writers	31,943 (-1.2)	32,446 (1.6)	32,688 (0.7)	32,715 (0.1)	33,461 (2.3)
Solicitors ²⁾	81,331 (0.2)	79,647 (-2.1)	80,096 (0.6)	92,193 (15.1)	102,552 (11.2)
Agents ³⁾	29,769 (-3.5)	29,277 (-1.7)	27,642 (-5.6)	27,769 (0.5)	28,247 (1.7)

Note: 1) Figures in parentheses indicate annual percent changes

2) The figures of solicitors exclude cross-selling solicitors

3) The figures of agents indicate the number of agencies

Source: KIDI, Monthly Insurance Report

2021

KOREAN
INSURANCE
INDUSTRY

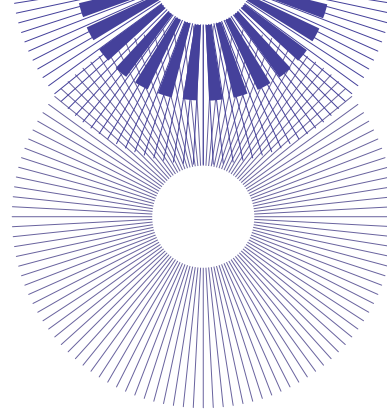


Insurance regulation and supervision

Insurance regulation

Supervision of insurance
companies

Changes in supervisory
regulations of
insurance business
in 2020



Insurance regulation²⁹⁾



1. Insurance business law and related laws

The 『Insurance Business Law』 and its relevant enforcement regulations constitute the Korean legal system for insurance. Since its promulgation on January 15, 1962, the 『Insurance Business Law』 has been revised numerous times to reflect the changes in the financial environment and international regulatory trends.

In 2010, the 『Insurance Business Law』 was amended to strengthen consumer protection. The explanation about the key provisions of insurance contracts and the consumers' acknowledgment became mandatory. Also, the amended law led insurers to be informed of their consumers' financial situation and to recommend appropriate products which suited consumers' interests best. Besides, the product development process was made simplified, so that insurers were allowed not to have regulatory filing (use without file) for certain products that meet certain regulatory requirements.

In August 2010, as a preparatory measure to introduce the risk-based capital (RBC) for insurers, the Financial Supervisory Service (FSS) began to conduct a pre-assessment of internal models of several insurance companies.³⁰⁾ As of April 2011, the RBC regime was fully implemented. And in 2011, the enforcement decree of the 『Insurance Business Law』 was revised to enhance risk management abilities of insurers.

In 2012, the enforcement decree of the 『Insurance Business Law』 was revised to reflect the change in 『Agricultural Co-operative Law』. As 『Agricultural Co-operative Law』 was revised to

29) This section is extracted from the publications of Financial Supervisory Service (FSS)

30) A branch established in Korea by a foreign insurer is deemed a foreign insurer for regulatory purposes

split the whole organization into farming business and financial service, a financial holding company was formed with banking, investment, and life and non-life insurance subsidiaries³¹⁾.

The insurance section of the 『Korean Commercial Code』 was amended on March 11, 2014, and the amendment took into effect on March 12, 2015. The amendment added new provisions on guaranty and health insurance, as well as clarification of the requirements for group insurance. Also, to protect the disabled and the family members of a decedent, subrogation against family members were prohibited. The amendment required for an obligatory explanation on the terms of the insurance contract and indicated the responsibility of insurance agents.

2. Financial Investment Services and Capital Market Act

The 『Financial Investment Services and Capital Market Act』 (FSCMA) was initially enacted by the National Assembly in July 2007 and took into effect as of February 4, 2009. The act aimed to reformulate the legal framework of the Korean capital market, on which 『Securities and Exchange Act』 of 1962, had been the main legislation.

The major changes for legislation:

- Shifting to functional regulation
- Introducing a comprehensive system
- Expanding business scope
- Upgrading the investor protection mechanism

Shifting to functional regulation left financial products or services with the same function to become subject to the same regulatory treatment regardless of financial sectors the products are provided. Financial investment companies can engage in multiple areas of business such as dealing, brokerage, and asset management provided some of information barrier requirements are satisfied.

The act provided the measures to enhance investor protection by classifying investors into two groups, ordinary and professional; and the measures were more inclined to protect the former. In addition, the rules; such as the prohibition of unsolicited calls, the prohibition of misleading

31) The insurance subsidiaries are called NongHyup Life Insurance Co., Ltd., and NongHyup Property & Casualty Insurance Co., Ltd.

investors with uncertain matters, the adoption of a cooling-off period and the duty to manage conflicts of interest; were both applicable to ordinary and professional investors.

On November 5, 2012, the Financial Services Commission (FSC) announced that the regulations on financial investment business would be amended as there had been ongoing concerns regarding the practice of fund distribution.

The amendment included the provisions that prohibit insurance companies from outsourcing more than 50% of their variable insurance assets to affiliated asset managers within the same business group. The restriction on outsourcing to affiliated fund managers became effective as of January 1, 2014.

3. Entry Regulation

Only stock corporations, mutual companies, and licensed foreign insurers are permitted to enter into insurance market with appropriate regulatory permission granted by the FSC. There are three different insurance licenses for life, non-life, and the so-called 'third insurance'.³²⁾

(a) Capital requirement

The minimum capital required for the insurance business is 30 billion KRW. Given that, when an insurer intends to engage in a single-line insurance business, the amount of the paid-in capital or funds should be no less than 5 billion KRW.

- Life insurance: 20 billion KRW
- Annuity (including pension): 20 billion KRW
- Fire insurance: 10 billion KRW
- Marine insurance³³⁾: 15 billion KRW
- Automobile insurance: 20 billion KRW
- Guaranty insurance: 30 billion KRW
- Reinsurance: 30 billion KRW
- Liability insurance: 10 billion KRW
- Engineering insurance: 5 billion KRW

32) The term the 'third insurance' refers to the gray zone of insurance business with characteristics and features of both life and non-life insurance policies

33) It includes aviation and transportation insurance

- Real-estate right insurance: 5 billion KRW
- Accident insurance: 10 billion KRW
- Sickness insurance: 10 billion KRW
- Long-term care insurance: 10 billion KRW
- Other insurance business: 5 billion KRW

However, if insurers subscribe more than 90% of total contracts or premiums using telephone, mail, or electronic communications, they can enter into an insurance market with two-thirds of the paid-in capital or funds amount above.

(b) Business funds to be paid by foreign insurers

When foreign insurers aim to engage in the insurance business in Korea, the amount of paid-in funds should be no less than 3 billion KRW.

(c) Other requirements for permission

Insurers are required to have adequate professional manpower and physical facilities, including computer equipment to carry on the intended insurance business.

Insurer's business plan is required to be feasible and sound.

Significant owners are required to possess a financial capability to carry on the business and have financial soundness and social credit.

(d) Maintenance of manpower and physical facilities

Insurers should maintain adequate professional manpower and physical facilities, which can be waived only by the approval of the FSC with proper measures to protect policyholders and maintain the financial soundness of insurers.

4. Product Regulation

Insurance companies may offer certain types of insurance products without presupervisory review (“discretionary insurance products”) if the product complies with the basic documentation and the contract provision requirements are met for an insurance product. If any of the documentation or contract provision requirements is subject to reporting for supervisory review, the product is deemed nondiscretionary (“nondiscretionary insurance product”) and subject to reporting.

Supervisory review of an insurance product consists of an ex ante pre-sale review for nondiscretionary insurance products and an ex post after-sale review for discretionary insurance products. Documentation for the sale of a nondiscretionary insurance product must be submitted to the FSS for supervisory review at least 30 days prior to the expected date of the sale.

Discretionary insurance products may be offered to consumers without FSS supervisory review in principle. To mitigate the risk of consumer harm from discretionary insurance products, the FSS conducts each quarter ex post supervisory review to focus on defective discretionary insurance products. Under the intensive review regime, insurance companies submit a list of insurance products sold until the last day of the following months from the end of each quarter.

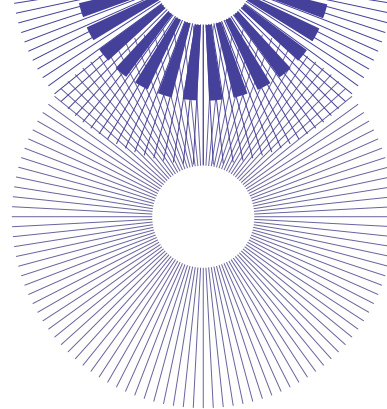
5. Distribution Regulation

Solicitation is the act of soliciting, negotiating, or procuring the purchase of an insurance product from consumers. For consumer protection, the Insurance Business Act limits individuals and entities that may engage in insurance solicitation to the following:

- (a) Insurance company executives and employees (excluding the company's chief executive officer, outside directors, auditor, and members of the board's audit committee);
- (b) Insurance solicitors who are registered with insurance associations and employed by an insurance company; an insurance solicitor must be employed by only one insurance company except where an insurance solicitor employed by a life insurance company solicits a buyer for a non-life insurance company (and vice versa);
- (c) Independent insurance agents (also called insurance agencies) that sell insurance products from multiple insurance companies and conclude an insurance contract on behalf of an insurance company; and

(d) Insurance brokers who are FSS-registered independent intermediaries for insurance buyers and sellers; unlike independent insurance agents, insurance brokers may negotiate insurance premiums and contract terms with insurance companies.

Bancassurance enabling banks, FISPs, and other authorized financial services companies to sell insurance products as independent insurance agents was introduced in May 2003. The authorized bancassurance sellers may solicit insurance buyers from their Internet homepage or face-to-face within designated spaces within their branches.



Supervision of insurance companies³⁴⁾



1. Prudential standards

Risk-based capital (RBC)³⁵⁾ replaced solvency regime for insurance companies in April 2009 and took effect in April 2011 following a two-year grace period that had been given to ensure a smooth transition to the new capital regime. The Insurance Business Act, the governing legislation for insurance business, has set the minimum RBC ratio of 100 percent. RBC functions as a minimum regulatory capital for insurance companies to be determined on the basis of the risks to which an insurance company is exposed. It is expressed as a ratio of available capital to required capital. In principle, available and required capital must be calculated on a consolidated basis excluding non-insurance companies, non-financial entities, and foreign insurance companies if their data consistency, sufficiency, and objectivity are not satisfactory. Where there is no entity to be consolidated, available and required capital may be calculated on a stand-alone basis. For insurance supervision, the RBC ratio provides the basis for the supervisory rating of insurance companies and any follow-up prompt correction action needed.

(a) Available capital

Available capital—the numerator of the RBC ratio—is the risk buffer available to cover any unpredicted losses that insurance companies may sustain; it is similar to solvency margin under the solvency margin regime. Available capital is calculated by first aggregating an insurance company's core capital, which primarily consists of capital stock (paid-in capital and capital surplus), retained earnings, and accumulated other comprehensive income, and supplementary

34) Financial Supervisory Service (FSS), FSS Handbook 2014; 2019

35) The RBC regime is in line with the international trend and enables a proper measurement of insurance risk, market risk, interest rate risk, credit risk, and operating risk

capital such as subordinated debt and loan loss reserves, then deducting from the aggregate capital items including prepaid expenses, deferred acquisition cost, and goodwill, and any capital shortfalls of the insurance company's subsidiaries.

Subordinated debt is deemed as capital to a certain extent; it may be included in tier 2 capital within 50 percent of the capital. A 20-percent haircut is applied per annum where the remaining maturity is five years or less. Subordinated debt must meet strict requirements to be treated as tier 2 capital. For instance, it must be unsecured and non-redeemable without FSS approval and mature at least five years later. Issuance of subordinated debt must be within 400 percent of the capital. The purpose of the issuance is also limited to avoiding losses caused by maturity mismatch or ensuring financial soundness.

(b) Required capital

Required capital—the denominator of the RBC ratio measuring the insurance company's total risk—is capital calculated from the insurance company's underlying exposures to insurance risk, interest rate risk, market risk, credit risk, and operational risk considering correlation coefficients.

2. Supervisory evaluation

The supervisory evaluation and rating regime were changed from CAMEL to RAAS—short for risk assessment and application system—in September 2012 for the transition to risk-based supervisory evaluation and rating. Under RAAS, each insurance company receives from the FSS a composite rating on the basis of evaluation and rating of seven components of the insurance company's overall financial soundness and business operations.

The seven components are: (1) management risk; (2) insurance risk; (3) interest rate risk; (4) investment risk; (5) liquidity risk; (6) capital adequacy; and (7) earnings. For each of the seven components, quantitative and non-quantitative factors comprising the component are analyzed for a component rating on a 1 to 5 numerical scale (1 the highest rating and 5 the lowest). The component ratings are then aggregated for the insurance company's composite rating on a 1 to 5 numerical scale with three levels (+, 0, or -) for each numerical scale, meaning a total of 15 possible level assignments.

Composite rating is used as the basis for prompt corrective action, which can vary from MIR and MID to MIO. MIR is the least adverse supervisory action and MIO the most adverse. MIR is issued when (1) the composite rating is 3, 2, or 1, and (2) the capital adequacy component rating is 4 or 5, or at least two of the ratings for insurance risk, interest rate risk, and investment risk are 4 or 5. MIO is made for insurance companies that are assigned a composite rating of 4 or 5.

3. Restrictions on investments of insurers

Premiums paid by the policyholders make up the bulk of insurers' assets, which are mostly appropriated as reserves to meet the insurers' future liabilities and benefit obligations. Prudent and sound management of insurers' assets is essential to protect the policyholders. Asset management is important to ensure the safety, liquidity, profitability, and public interest of the assets. According to the insurance-related laws and regulations, the regulations on the asset management of insurance companies prohibit certain types of asset operation.

Insurance companies are restricted from the following activities:

- Acquisition of non-business-purpose real estate holdings
- Lending intended for speculation in securities
- Lending intended for acquisition of its own shares
- Lending intended to fund political activities
- Lending to the officers or employees
- Any activity that undermines the safety and soundness of the company assets

In order to prevent the extension of disproportionate support by an insurer to its own business group and the spread of investment risks, there are investment limit and its investment categories of insurance companies (see Table 30). On the other hand, amendments to the Insurance Business Act to enhance the autonomy of asset management in the insurance industry has passed the Cabinet Council on 2nd May 2017. While the purpose of amendments is to abolish items for real estate holdings, foreign currency holdings, and a sum of security deposits, the amendment has not yet been legislated.

Table 30. Restriction ratios of asset management

Items	Limits - General account	Limits - Separate account
Credit extension to a single person or company	3% of total assets	5% of each separate asset account
Stock and bond investment in any single company	7% of total assets	10% of each separate asset account
Credit extension or stocks and bond investments to a person or a company (including related persons or companies)	12% of total assets	15% of each separate asset account
Sum of credit extension and stocks and bond investments in excess of 1/100 of the insurer's total assets (applicable to the same person, company, or principal shareholders)	20% of total assets	20% of each separate asset account
Credit extension to a principal shareholder or a subsidiary of the insurance company under the Presidential enforcement decree	Lower of either (1) 2% of the total assets or (2) 40% of the capital	2% of each separate asset account
Stock and bond investments to a principal shareholder or a subsidiary of the insurance company under the Presidential enforcement decree	Lower of either (1) 3% of the total assets or (2) 60% of the capital	3% of each separate asset account
Credit extension to the same subsidiary of the insurance company	10% of the capital	4% of each separate asset account
Real estate holdings	25% of total assets	15% of each separate asset account
Foreign currency holdings or real estate holdings overseas in accordance with the 'Foreign Exchange Transactions Act ₄	50% of total assets	50% of each separate asset account
Sum of security deposits for domestic and overseas futures trading	6% of total assets	6% of each separate asset account

Note: Total assets are those of general account or those of separate account
Source: Financial Supervisory Service (FSS), FSS HANDBOOK 2014

4. Corporate governance

Outside directors

The board of directors of insurance companies whose assets exceed 5 trillion KRW must appoint three or more outside directors, and more than half the number of board members must be outside directors. The board of directors of insurance companies whose assets do not exceed 5 trillion KRW but exceed 300 billion KRW must appoint at least one-fourth of outside directors.³⁶⁾

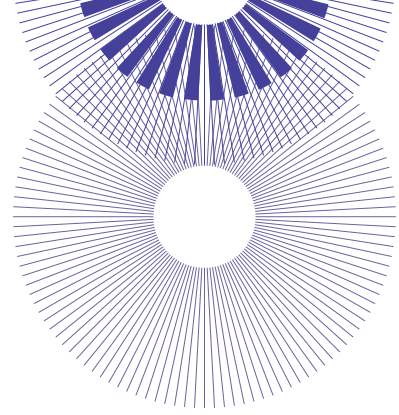
Audit committee

Insurance companies whose assets exceed 5 trillion KRW must establish an audit committee. The audit committee must comprise at least three directors, and at least two-thirds of the number of its members must be outside directors. And at least one of the members should possess expertise in accounting or finance.

Compliance officer & risk manager

Insurance companies must appoint a compliance officer and a risk manager who possess the knowledge and expertise to fulfill their duties. The board must approve the appointment and dismissal of the compliance officer and risk manager of directors, and dismissal requires at least two-thirds votes of board members in order to ensure independence from the management of the company.

³⁶⁾ By the 『Korean Commercial Code』, a listed company should appoint at least one-fourth of its board members as outside directors and a listed company with assets exceeding 2 trillion KRW should appoint three or more outside directors, and more than a half the number of board members must be outside directors



Changes in supervisory regulations of insurance business in 2020



1. Reinforcement of financial consumer protection³⁷⁾

- (Supervision of the “non (low)-surrender-value insurance” [2020.11.18])

The Financial Services Commission (FSC) clarified the definition of non (low)-surrender-value insurance (i.e. the insurance products having little to no cash value) and announced that it would revise the structure of such insurance products to protect the insured by reducing the likelihood of miselling.

- (Improvement of consumers’ understanding and transparency of insurance information [2020.11.18])

An insurance product information document, which includes a detailed description of the insurance product, was added as the resource to evaluate consumers’ understanding of their insurance policies. Meanwhile, the FSC established a system where consumers could search for information about solicitors who committed insurance fraud.

- (Amendment of standard terms and conditions of automobile insurance[2020.3.19])

The FSC promoted the amendment of standard terms and conditions of automobile insurance to protect the insured’s rights. For example, the cost drunk drivers take would increase if automobile accidents occur while drunk driving. Further, the automobile insurance industry would include electric scooters in the insurance coverage.

37) Financial Services Commission (2020.1.15); (2020.3.19); (2020.7.7); (2020.11.18), Press Release

- **(Clarification of vague insurance policy conditions[2020.7.7])**

The FSC addressed concerns regarding some vague policy conditions that possibly occur disputes and consumers' complaints. Most importantly, it clarified if an infectious disease, such as COVID-19, can be compensated for or not. As well as the confirmation of the duty of disclosure for personal mobility vehicles, the FSC discussed the criteria for death from holiday accidents and the scope of work-related accident coverage.

- **(Revisions of the systems of surrender charge and business expense[2020.1.15])**

As for the renewed insurance policies, which do not require insurance companies to make extra efforts to re-subscribe, the business expenses of such policies should not exceed 70% of the business expense of the initial contracts. Further, the FSC announced that it reduced the surrender charge limit to decrease premiums and increase the surrender value.

- **(Improvement of practice of insurance sales commission to solicitors[2020.1.15])**

The standards and scope of commissions paid to solicitors have been clarified. To improve the insurance sales commission system, the FSC announced that the first year sales commissions payable to the solicitors should not exceed the insurance premiums paid by the policyholders during the year.

- **(Prevention of miselling of protection type insurance products[2020.1.15])**

The FCS announced it would help insurance consumers to choose insurance products based on appropriate and precise information. Specifically, the FCS modified the factors which led consumers to mistake protection type insurance for saving type insurance.

2. Amendment of risk-based capital (RBC) ³⁸⁾

- **Improving the range of interest rate risk calculation**

The Financial Supervisory Service (FSS) reflected co-insurance and interest rate derivatives for hedging purposes in calculating the RBC interest rate risk.

³⁸⁾ Financial Services Commission (2020.6.30)

- **Adjustment of internal model and risk factor**

To enhance the risk management capabilities of insurance companies, the FSC provided detailed guidelines on how insurers' internal model of interest rate sensitivity to insurance liabilities can be applied. In addition, the risk coefficient of the securities market stabilization fund was lowered.

3. Korea Insurance Capital Standard (K-ICS)

- **Progress of K-ICS**

The FSS and the preparation committee of IFRS 17 discussed improvement plans for financial reporting standards that will apply to insurance supervision, after the implementation of IFRS 17. In addition, On April 10, 2018, they prepared criteria for evaluating profit and loss of insurance contracts held at the time of the adoption of IFRS 17 and the allocation of business expenses (K-ICS 1.0³⁹). And they conducted an impact assessment to facilitate the practical application of the improvement plans (QIS 1⁴⁰).

Meanwhile, on July 10, 2019, FSS and the preparation committee prepared K-ICS 2.0⁴¹, which revised from K-ICS 1.0, and conducted the second impact assessment (QIS 2). And on June 22, 2020, they released K-ICS 3.0 and will conduct the third impact assessment (QIS 3).

On November 30, 2020, the FSS and the preparation committee of IFRS 17 discussed the way to introduce amendments to the law to implement IFRS 17 in 2023 to the National Assembly in the first half of 2021.

- **A revised solvency system in line with IFRS 17, K-ICS 1.0⁴²**

By introducing K-ICS, it is possible to improve the quality of insurance companies' capital and intensify risk management by calculating the available capital and required capital corresponding to the real economic conditions, moreover, secure consistency with the global insurance capital standard and ensure reliability.

39) Financial Services Commission (2019.4.5), Press releases

40) 'QIS' stands for Quantitative Impact Assessment

41) Financial Services Commission (2019.7.10)

42) Financial Services Commission (2020.6.22)

Table 31. Comparison of solvency systems

		Current RBC System	K-ICS
Available Capital	Asset Valuation	Fair value and Lock-In (Loan, financial instrument held to maturity)	Fair Value
	Liability Valuation	Lock-In (Liability Aptitude Test)	
Demanded Capital	Types of Risk	① Insurance Risk	① Life and Long-Term Non-Life Insurance Risk
		② Interest rates Risk	② General Insurance Risk
		③ Market Risk	③ Market Risk (including Interest rate risk)
		④ Credit Risk	④ Credit Risk
		⑤ Operational Risk	⑤ Operational Risk
	Risk Assessment	Risk Parameter Method (Parameter x Risk Exposure)	Shock and Scenario method and Risk parameter method for ②, ④, ⑤
Confidence Level	99%	99.5%	
Solvency	Percent of Available to Demanded Capital is more than 100%		

- **Major changes of K-ICS 2.0⁴³⁾**

The long-term target interest rates have to be recalculated annually and the calculation method of volatility adjustment was improved by under K-ICS 2.0. Also, the level of the shock scenario in life insurance risk and long-term non-life insurance risk changed as it is available to use statistics for all insurers and the calculation methods become sophisticated. Available capital is divided into basic capital (Tier 1) and supplementary capital (Tier 2), and the limit of recognition of supplementary capital changed to 50% of the required capital.

- **Announcement of K-ICS 3.0**

On June 22, 2020, FSS and the preparation committee announced K-ICS 3.0 which revised K-ICS 2.0. They revised risk margin, which is one of the items that make up the insurance liability. And they changed judgment criteria about the boundaries of contracts.

- **Announcement of K-ICS 4.0**

On May 21, 2021, the FSS and the preparation committee announced K-ICS 4.0. They revised the system to measure life (long-term non-life) insurance risk and market risk in a shock and scenario method rather than a risk parameter method.

43) Noh, Geonyoup (2019. 9. 23), Main contents and tasks of K-ICS 2.0, KIRI

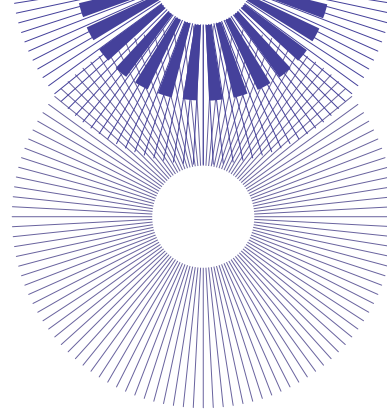
2021

KOREAN
INSURANCE
INDUSTRY



Insurance industry issues

Business Rebuilding
Coopetition



Insurance industry issues⁴⁴⁾



The insurance industry faces challenges for structural innovation as the global economy is transforming into degrowth and digital-centric. In particular, the insurers would become hard to persist in their legacy business models and strategies in 'three lows' - a low birthrate in the aging society, low economic growth, and sustained low-interest rates environment - of the insurance industry in Korea.

In this regard, we suggest six key issues which Korean insurers and regulators should consider for business strategies and policies in 2021 to respond to the challenging conditions against the insurance industry.

1. Business Rebuilding

(a) Establishing infrastructure on a transfer of insurance contracts

In response to capital and accounting regulations tightened, insurers are expanding their capital base. However, this is not a sustainable way under the low-profit structure of the insurance industry in Korea.

A 'run-off' strategy, transferring insurance contracts, may be discussed as an alternative. Still, the problem is that partial transfer of insurance liabilities is not permitted in the Korean insurance markets. In this situation, financial reinsurance is the only means for insurers to employ at the moment to adjust the liability structure.

44) KIRI(2020), Insurance industry outlook and agenda in 2020

Thus, it needs to formulate the regulations related to transferring insurance contracts, including establishing market infrastructure such as a 'run-off platform,' to support insurers adjust insurance liabilities.

(b) Strengthening insurers' capabilities to cope with a financial crisis

The insurance industry should strengthen its capabilities to respond resiliently against the growing uncertainty of the global economy and volatility of the financial market in the world after Covid-19. Specifically, the K-ICS should include the pre-emptive risk management plans, meaning it should provide a detailed roadmap on how the insurance industry prepares for a crisis that will be occurred after K-ICS introduces.

Meanwhile, the deposit insurance system must be revised since the plan falls short in protecting the insured even though it holds a vast amount of funds compared to other developed insurance markets.

(c) Enhancing underwriting capabilities

The insurance industry needs to enhance its underwriting capabilities by using new technologies and reviewing the pension and reinsurance policy. The details are as followed;

First of all, it is necessary to amend regulations to encourage insurance products development in a digital environment by using new data types, including anonymous and pseudonymised data, health and medical information, etc. The current supervisory regulation is too dated to fit into these new data types.

Second, there are no annuity policies to manage longevity risks in the broader perspective. The reason is that the insurance industry has considered annuity not as a means to manage longevity risks but just as the savings type products to guarantee the retirement income.

Last but not least, the policies concerning the reinsurance industry should be taken into account in competition and industrial aspects as the role of reinsurance is becoming essential with the introduction of financial reinsurance.

2. Coopetition

(a) Enlarging customer touch-points in line with digital transformation

The insurance industry should proactively seek the channel strategy by customers' preference on communication. In this regard, it now has challenges expanding customer touch-points in the digital environment.

However, it seems that traditional insurers' ability to apply digital technology into the sales channel remains inadequate, though one-fourth of customers are already accustomed to AI-related services. Further, some issues about 'leveling the playing field' arise as big-techs with their dominance in online platforms enter the insurance industry.

(b) Strengthening public-private partnership model

The insurance industry should strengthen the public-private partnership model and its role as the safety net, corresponding to the rising needs on coverages for disaster, health, and income protection. The details are as followed:

First of all, if the public and private sectors are partnered to mitigate the risks of the business interruption, cyber, and liabilities related to the pandemic (or such disasters), the risk management model would be more sustainable.

Further, the healthcare services provided by the public-private partnership of the government, medical institutes, ICR firms, and insurers need to be improved to promote people's health.

Meanwhile, it would be desirable to expand infrastructure investment in accordance with the governmental 'Green new deal' policy in terms of insurers' long-term investment and the real economy.

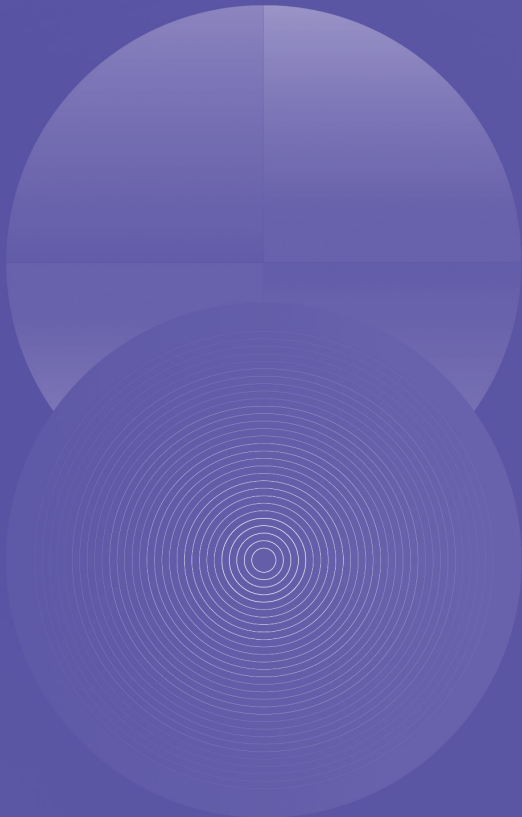
(c) Building consumer trust in the digital environment

The customer experience in the insurance industry has been restricted to the receipt of the claim benefits. However, the boundary of customer experience in the insurance industry is expected to broaden in the new digital environment.

In this new environment, the supervisory guidelines about insurance sales on the online platform need to be established to enhance customer trust. For example, the insurance industry needs to discuss the responsibility of big-techs when selling insurance through their platforms or when implementing insurance services by AI (ML) algorithms, etc.

2021

KOREAN
INSURANCE
INDUSTRY

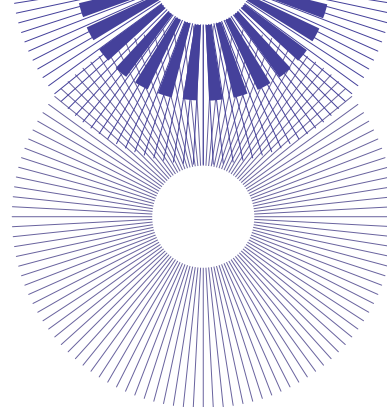


Appendix

Standards for classification
of types of insurance
products

Profiles of insurance
companies

Websites



Standards for classification of types of insurance products



1. Life insurance

Types of insurance products	Standards for classification
Life insurance	Insurance receiving the price by commitment of payment of money and other benefits agreed concerning survival or death of a man: provided that annuity insurance and retirement insurance shall be excluded
Annuity insurance (including retirement insurance)	Insurance receiving the price by commitment of payment of money and other benefits agreed concerning survival or retirement of a man by annuity or lump sum allowance (only applicable to a retirement insurance)

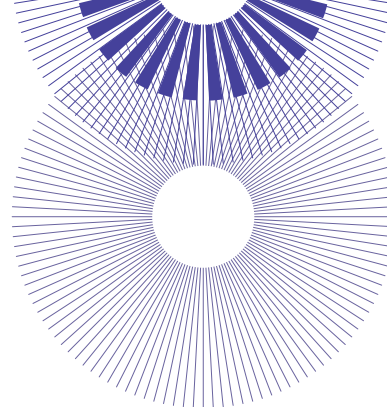
2. Non-life insurance

Types of insurance products	Standards for classification
Fire insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by fire
Marine insurance (including aviation, transport insurance)	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an accident concerning marine business. In such cases, aviation, transport insurance compensating for damage incurred by an accident concerning airplane, land transported goods, artificial satellite, etc. shall be deemed a marine insurance
Automobile liability insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an accident in connection with possession, use and management of an automobile. Commitment of payment of money and other benefits concerning damage incurred by an accident in connection with possession, use and management of an automobile
Guarantee insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by failure to pay one's financial debt under the contract or failure in duty under the Acts and subordinate statutes

Reinsurance	Insurance by which an insurance company transfers the whole or part of liabilities for other benefits, such as payment of insurance proceeds, etc. under the insurance contract that it has underwritten to another insurer
Liability insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an insured person's taking the responsibility for compensation to a third party owing to an accident
Technical insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an accident related to machinery and equipment, electronic appliances, erection work, construction work and other objects similar thereto
Right insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by defects in the rights to movable property or real estate
Theft insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by theft
Glass insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by breakage of glass
Animal insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an accident to animal
Nuclear insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by taking the responsibility for compensation under the Nuclear Damage Compensation Act
Expense Insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by an accident generating prize money, prize, expenses for litigation, other expenses. In such cases, legal expense insurance compensating damage incurred by an accident generating legal service or expenses for legal service
Weather insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning damage incurred by weather

3. Third insurance

Types of insurance products	Standards for classification
Casualty insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning risks, such as expenses incurred in treatment on bodily injury of a man and death, etc. resulting from injury
Disease insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning risks (excluding death owing to a disease), such as a disease of a man or hospitalization, operation, etc. owing to a disease
Nursing insurance	Insurance receiving the price by commitment of payment of money and other benefits concerning a state requiring other's tending or risks of treatment, etc. resulting there from, such as dementia or disability in daily life, etc.



Profiles of insurance companies



1. Life insurance companies

(Unit: billion KRW, persons)

Company	Date of establishment	Paid-in capital	Premiums	Total assets	Number of employees
Hanwha	Sep. 1946	4,343	14,775	127,530	4,078
ABL	Dec. 1954	16	2,837	20,444	856
Samsung	May 1957	100	26,540	309,803	5,196
Heungkuk	Jan. 1950	68	4,677	30,389	670
Kyobo	Aug. 1958	103	14,280	115,486	3,842
LINA	Apr. 1987	35	2,685	5,060	825
DGB	Feb. 1988	174	942	6,806	233
Mirae Asset	Mar. 1988	991	6,960	40,546	1,023
KDB	Apr. 1988	474	2,691	20,013	701
DB Life	Apr. 1989	253	1,894	12,179	233
Tong Yang	Apr. 1989	807	5,769	36,253	989
MetLife	Jun. 1989	142	3,259	23,425	608
Prudential	Jun. 1989	150	2,740	23,172	547
Chubb Life	Jul. 1990	285	256	1,914	143
Shinhan	Jan. 1990	200	5,782	36,759	1,258
Orange Life	Sep. 1991	82	3,988	34,750	752
Hana	Nov. 1991	169	814	5,221	180
AIA	Mar. 1997	603	2,211	17,664	601
BNP Paribas Cadif	Oct. 2002	201	339	3,582	200
Fubon Hyundai	Jul. 2003	675	5,071	18,562	394
KB	Apr. 2004	456	1,931	10,461	348
IBK	Jul. 2010	340	2,581	9,600	182
NongHyup	Mar. 2012	605	6,383	67,143	1,021
Kyobo Life Planet	Sep. 2013	244	183	517	113

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2020

Source: Financial Supervisory Service, Korea Life Insurance Association

2. Non-life insurance companies

(Unit: billion KRW, persons)

Company	Date of establishment	Paid-in capital	Direct premiums	Total assets	Number of employees
Meritz	Oct. 1922	60.3	9,151	25,182	2,947
Hanwha	Apr. 1946	583.7	5,977	19,479	3,039
Lotte	May 1946	310.3	4,249	16,425	1,232
MG	Feb. 1947	116.6	1,167	4,201	711
Heungkuk	Mar. 1948	325.8	3,205	13,211	1,213
Samsung	Jan. 1952	26.5	24,481	91,721	5,824
Hyundai	Mar. 1955	44.7	16,454	48,820	4,273
KB	Jan. 1959	33.3	13,162	37,788	3,200
DB	Mar. 1962	35.4	16,010	47,124	4,616
AIG	Apr. 1968	61.8	591	942	373
Seoul Guarantee	Feb. 1969	174.6	2,023	8,772	1,482
ACE American K.B.	Nov. 1999	31.1	650	826	299
First American K.B.	Jul. 2001	5.0	13	19	18
AXA	Sep. 2001	250.9	851	1,009	1,783
Mitsui Sumitomo K.B.	Oct. 2002	35.5	18	110	49
Hana	Nov. 2003	311.1	520	1,128	706
BNP Paribas Cardif	Dec. 2003	181.2	23	86	76
DAS	May 2009	15.8	0	2	9
NongHyup	Mar. 2012	100.9	3,723	11,363	774
Allianz Global Corporate & Specialty SE, K.B.	Jan. 2017	83.3	15	155	16
Carrot	Jan. 2020	100.0	30	88	186

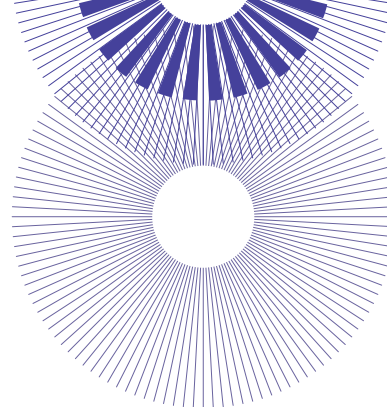
Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2020
Source: FFinancial Supervisory Service

3. Reinsurance companies

(Unit: billion KRW, persons)

Company	Date of establishment	Paid-in capital	Assumed R/I Premium	Total assets	Number of employees
Korean Re	Mar. 1963	60.2	8,500	12,413	382
Munich Re K.B.	Nov. 1988	48.0	395	408	41
Swiss Re K.B.	May 1995	209.0	776	1,080	43
Gen Re K.B.	Dec. 1996	17.0	82	120	13
Scor Re K.B.	Apr. 2004	63.8	801	676	43
RGA Re K.B.	Mar. 2005	52.0	384	426	73
Hannover Re K.B.	May 2008	25.0	64	88	9
Pacific Life Re K.B.	Mar. 2016	59.7	89	64	16
Asia Capital Re K.B.	Sep. 2016	33.4	-2	67	4
Tokio Marine & Nichido Fire K.B.	Dec. 2004	3.0	27	77	11

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2020
Source: Financial Supervisory Service



Websites



1. Life insurance companies

Company	Homepage
Hanwha Life Insurance Co., Ltd.	www.hanwhalife.com
ABL Life Insurance Co., Ltd.	www.abllife.co.kr
Samsung Life Insurance Co., Ltd.	www.samsunglife.com
Heungkuk Life Insurance Co., Ltd.	www.hungkuk.co.kr
Kyobo Life Insurance Co., Ltd.	www.kyobo.co.kr
LINA Life Insurance Company of Korea, Ltd.	www.lina.co.kr
Mirae Asset Life Insurance Co., Ltd.	www.miraeassetlife.com
DGB Life Insurance Co., Ltd.	www.dgbfnlife.com
KDB Life Insurance Co., Ltd.	www.kdblfe.co.kr
DB Life Insurance Co., Ltd.	www.idblife.com
Tong Yang Life Insurance Co., Ltd.	www.myangel.co.kr
MetLife Insurance Company of Korea., Ltd.	www.metlife.co.kr
The Prudential Life Insurance Company of Korea Ltd.	www.prudential.co.kr
Chubb life Korea Co. Ltd.	www.chubblife.co.kr
Shinhan Life Insurance Co., Ltd.	www.shinhanlife.co.kr
Orange Life Insurance Co., Ltd.	www.orangelife.co.kr
Hana Life	www.hanalife.co.kr
AIA Life Insurance Co., Ltd	www.aia.co.kr
BNP Paribas Cardif Life Insurance	www.cardif.co.kr
Fubon Hyundai Life Insurance Co., Ltd	www.fubonhyundai.com
KB Life Insurance Co., Ltd.	www.kbli.co.kr
IBK Insurance Co., Ltd.	www.ibki.co.kr
NongHyup Life Insurance Co., Ltd.	www.nhlife.co.kr
Kyobo Life Planet Life Insurance Company	www.lifeplanet.co.kr

2. Non-life insurance companies

Company	Homepage
Meritz Fire & Marine Insurance Co., Ltd.	www.meritzfire.com
Hanwha General Insurance Co., Ltd.	www.hwgeneralins.com
Lotte Insurance Co., Ltd.	www.lotteins.co.kr
MG Non-Life Insurance Co., Ltd. ¹	www.mggeneralins.com
Hungkuk Fire & Marine Insurance Co., Ltd.	www.heungkukfire.co.kr
Samsung Fire & Marine Insurance Co., Ltd.	www.samsungfire.co.kr
Hyundai Marine & Fire Insurance Co., Ltd.	www.hi.co.kr
KB Insurance Co., Ltd.	www.kbinsure.co.kr
DB Insurance Co., Ltd.	www.idbins.com
Seoul Guarantee Insurance Co., Ltd.	www.sgic.co.kr
AIG, Inc.	www.aig.co.kr
ACE American Insurance Company K.B.	www.chubb.com
First American Title Insurance Company K.B.	www.firstam.co.kr
AXA General Insurance Co., Ltd.	www.axa.co.kr
Mitsui Sumitomo Insurance Co., Ltd. K.B.	www.ms-ins.co.kr
Hana Insurance Co., Ltd.	www.educar.co.kr
BNP Paribas Cardif	www.cardifcare.co.kr
DAS Legal Expenses Insurance Co., Ltd.	www.das.co.kr
NongHyup Property & Casualty Co., Ltd.	www.nhfire.co.kr
Allianz Global Corporate & Specialty SE, K.B.	www.agcs.allianz.com
Carrot General Insurance	www.carrotins.com

3. Reinsurance companies

Company	Homepage
Korean Re	www.koreanre.co.kr
Munich Re K.B.	www.munichre.com
Swiss Re Asia Pte, Ltd, K.B.	www.swissrekorea.com
Gen Re K.B.	www.genre.com
Scor Reinsurance Asia Pacific Pre. Ltd. K.B.	www.scor.com
RGA Reinsurance Company K.B.	www.rgare.com
Hannover Re K.B.	www.hannover-re.com
Pacific Life Re K.B.	www.pacificlifere.com
Asia Capital Re K.B.	www.siacapitalre.com
Tokio Marine & Nichido Fire Insurance Co., Ltd. K.B.	www.tokiomarine.seoul.kr

4. Related organizations

Organization	Homepage
Ministry of Economy and Finance	www.mosf.go.kr
Financial Supervisory Commission	www.fsc.go.kr
Financial Supervisory Service	www.fss.or.kr
Korea Deposit Insurance Corporation	www.kdic.or.kr
Korea Trade Insurance Corporation	www.ksure.or.kr
Korean Fire Protection Association	www.kfpa.or.kr
Korea Life Insurance Association	www.klia.or.kr
General Insurance Association of Korea	www.knia.or.kr
Korea Insurance Development Institute	www.kidi.or.kr
Korea Insurance Institute	www.in.or.kr
Korean Insurance Academic Society	www.kinsurance.or.kr
The Institute of Actuaries of Korea	www.actuary.or.kr
Korea Risk Management Society	www.krms.org
Korea Federation of Banks	www.kfb.or.kr
Korean Insurance Brokers Association	www.ikiba.or.kr
Korea Financial Investment Association	www.kofia.or.kr
Credit Counseling and Recovery Service	www.crss.or.kr