2025

KOREAN INSURANCE INDUSTRY

Korea Insurance Research Institute

Foreword

In 2024, the global economy continued to face challenging conditions, including rising trade tensions and policy uncertainty, and the pace of growth slowed to 3.3% from the previous year.

The Korean economy experienced robust growth, with exports increasing in the first half of the year, driven by semiconductor sales, and GDP growth was recorded at 2.0% in 2024. Exports slowed down in the second half of the year, and the growth trend is expected to slow down further due to expanding supply from China and increased protectionism in the US. The Bank of Korea (BOK), which had kept its base rate at 3.5% due to difficult internal and external conditions, cut it twice to 3.0% in October and November in response to stabilizing inflation.

In 2024, the Korean insurance industry's premiums increased by 1.4% year-on-year. The life insurance industry increased by 0.9%, led by protection-type insurance, and the non-life insurance industry increased by 1.9%, driven by continued growth in long-term insurance. Health insurance products are becoming increasingly dominant in the Korean insurance industry, especially after the adoption of IFRS 17 in 2023.

In recent years, the Korean insurance industry has undergone rapid and complex changes in response to structural shifts such as population aging, climate change, and technological innovation. The risks that insurers face have become increasingly layered and complex, necessitating fundamental shifts across risk management, product design, consumer response, and asset management. Diversification of business models, sophistication of digital and AI-powered services, consumer-centric sales strategies, enhanced asset management capabilities, and expansion of inclusive insurance are among the key challenges that insurers face to ensure sustainable growth and long-term competitiveness. For insurers to navigate change and find a sustainable growth path amidst diverse stakeholders, an overall balance must be maintained. Only when each element—the internal operations of the insurer, the relationship between stakeholders including consumers, and the regulatory environment that governs market competition and order—works in harmony with the others, without being tilted to one side or the other, can the insurance industry move in a sustainable and stable direction. In this process, the importance of resilience—the ability to withstand and recover from external shocks—will be increasingly emphasized, extending beyond mere financial soundness.

‘Korean Insurance Industry 2025’ is intended to provide comprehensive information on recent trends in the Korean insurance industry based on the global and domestic economic and financial environment in 2024. We hope that this book will be helpful to readers in understanding the Korean insurance industry.

Finally, I would like to express gratitude to the Financial Market Analysis team for their efforts in preparing this publication.

Chulkyung Ahn

President

Korea Insurance Research Institute

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Economic trends

Global economy

In 2024, global economic growth was 3.3%, marking a continuation of the downward trend that began in 2022. The global economy remained resilient overall, but growth momentum weakened compared to 2023. High inflation and high interest rates have continued to create a tightening environment while rising trade tensions and policy uncertainty have made for challenging conditions.

Advanced economies grew 1.8% in 2024, similar to the previous year. Among them, the United States and Japan saw year-on-year declines, with growth rates of 2.8% and 0.1%, respectively. The euro area[1], on the other hand, rose from 0.4% in 2023 to 0.9% in 2024, driven by improved merchandise exports. Emerging regions grew at 4.3%, down 0.4%p from the previous year, with China's growth rate at 5.0%, also down from last year.

Table 1. Global real GDP growth

(Unit: %, YoY)

Classification	2020	2021	2022	2023	2024
World	-2.7	6.6	3.6	3.5	3.3
Advanced	-4.0	6.0	2.9	1.7	1.8
Emerging	-1.7	7.0	4.1	4.7	4.3
United States	-2.2	6.1	2.5	2.9	2.8
Euro area	-6.0	6.3	3.5	0.4	0.9
Japan	-4.2	2.7	0.9	1.5	0.1
China	2.3	8.6	3.1	5.4	5.0

Source: IMF

1) The Euro area consists 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

In 2024, the Korean economy experienced substantial growth in the first half of the year, driven by rising exports. However, the growth rate slowed in the second half of the year, falling short of expectations. GDP growth in 2024 was 2%, an increase of 0.4%p from 1.6% in 2023.

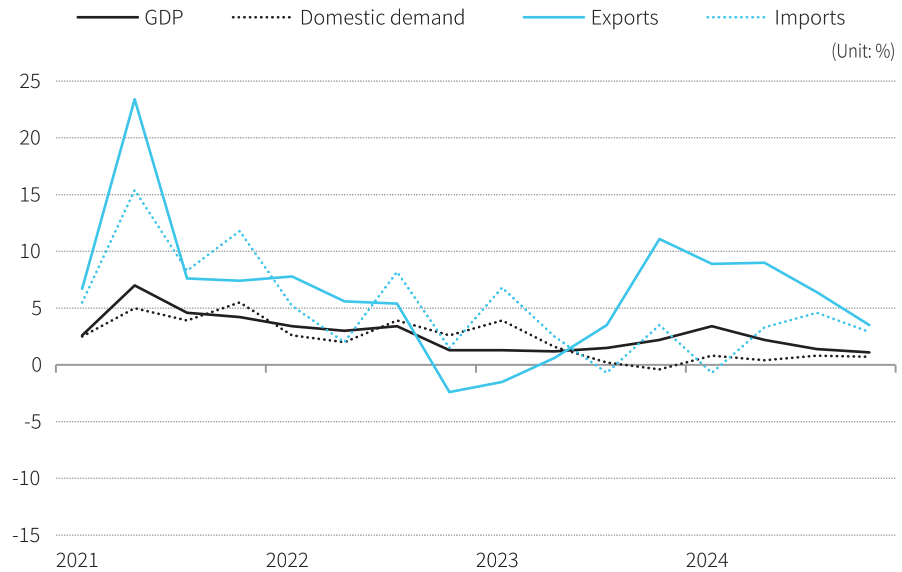
In 2024, private consumption showed a modest recovery in line with the improvement in household spending power, declining 0.9%p year-on-year to 1.1%. In the second quarter, consumption of goods and services slowed to 0.7% but has since rebounded to maintain moderate growth.

Construction investment began to decline after the first quarter due to the impact of accumulated weakness in contracts, with a growth rate of -3.3% in 2024. Equipment investment rebounded strongly in the second half of the year as investment by semiconductor companies expanded, posting a healthy growth of 1.7%.

Exports continued to grow at a high level, rising 3.4%p year-on-year to 6.8% in 2024. However, growth has been somewhat slow since the second half of the year due to weak demand and is expected to slow down further with the expansion of supply from China and increased US protectionism.

Imports have maintained growth since the first quarter due to recovering domestic demand, but the pace slowed in the second half of the year, resulting in a slight year-on-year decline to 2.5%.

Figure 1. Economic growth trends



Note: Domestic demand excludes inventories.
Source: Bank of Korea(2025.6)

Table 2. GDP by expenditure

(Unit: %, YoY)

Classification	2023	2024				
		year	Q1	Q2	Q3	Q4
GDP	1.6	2.0	3.4 (-6.6)	2.2 (4.2)	1.4 (-0.2)	1.1 (4.1)
Private consumption	2.0	1.1	1.1	0.7	1.3	1.1
Fixed investment	-0.2	-0.8	0.6	-1.2	-1.1	-1.2
Construction investment	-0.5	-3.3	1.6	-1.2	-6.2	-6.4
Equipment investment	-0.2	1.7	-2.2	-2.5	6.6	5.3
Intellectual property products investment	0.2	1.2	2.9	0.7	0.0	1.3
Exports	3.4	6.8	8.9	9.0	6.4	3.5
Imports	3.0	2.5	-0.7	3.3	4.6	2.9

Note: Figures in ( ) refer to quarter-on-quarter growth rates.
Source: Bank of Korea(2025.6)

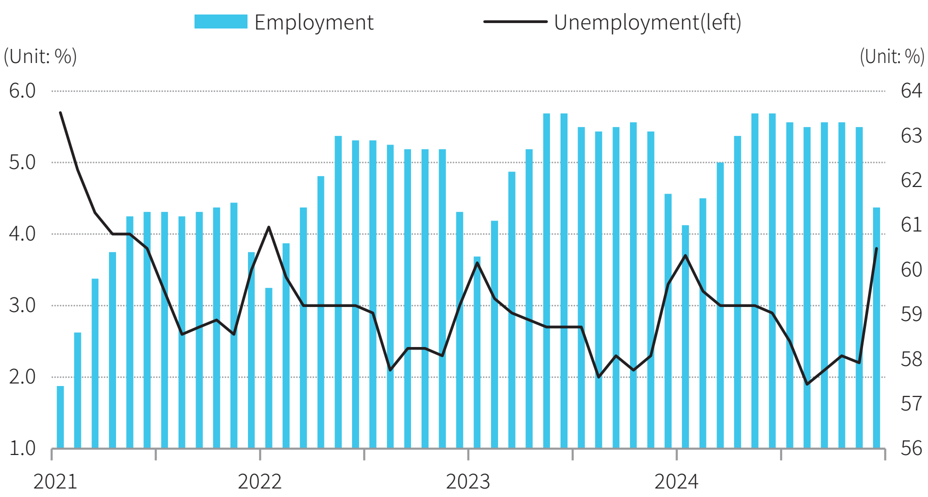
Employment

The employment rate in 2024 remained at 62.7%, similar to the previous year, but decreased by 2.8% month-on-month to 61.4% in December 2024, as construction and manufacturing employment declined. The unemployment rate has been fluctuating at a low level of 2.8% but increased by 73% month-on-month to 3.8% in December.

The total number of employed people in 2024 was 28.6 million, an increase of 160 thousand compared to 28.4 million in 2023.

By sector, construction and manufacturing continued to decline, while services continued to grow, led by health and human services, and telecommunications.

Figure 2. Employment and unemployment rates



Source: Statistics Korea

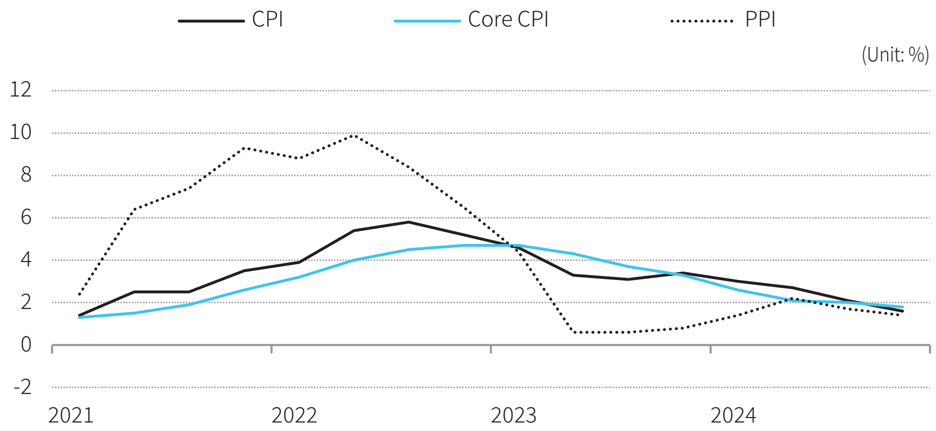
Inflation

In 2024, inflation has continued to decline since the second half of 2023.

In 2024, the CPI (Consumer Price Index) continued its slowing trend from the first half of the year, declining from 3% in the first quarter to 2.7% in the second quarter as agricultural prices decreased. In the second half of the year, the CPI slowed significantly as petroleum prices fell by more than 10% due to lower international oil prices, and the CPI fell by 0.5%p, from 2.1% in the third quarter to 1.6% in the fourth quarter.

Inflation, as represented by the Core CPI[2], also continued its downward trend from 2023, falling from 2.6% in the first quarter of 2024 to 1.8% in the fourth quarter. PPI remained elevated through the second quarter of 2024 but began to decline again in the third quarter, reaching 1.4% in the fourth quarter of 2024.

Figure 3. Inflation by CPI and PPI



Source: Statistics Korea; Bank of Korea(2025.6)

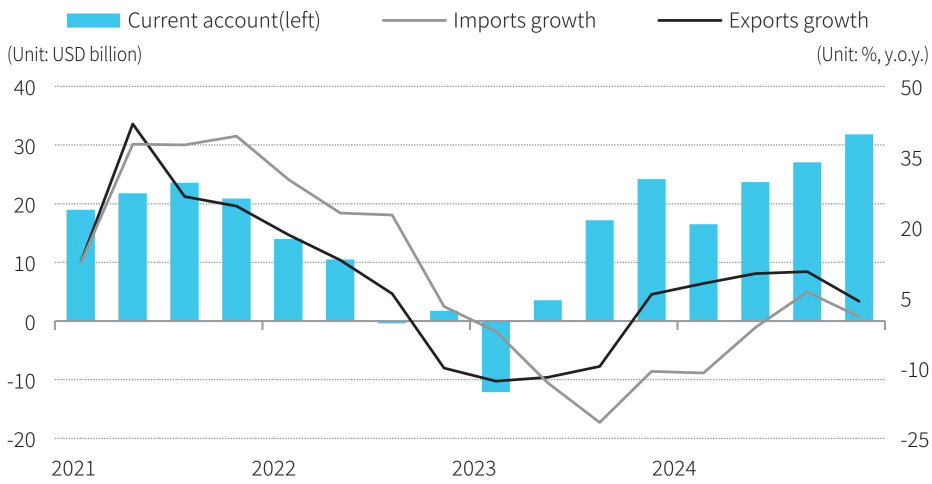
2) Core CPI measures the changes in the prices, excluding agricultural product and petroleum.

Current account balance[3)]

The current account balance in 2024 remained in surplus at USD 99.0 billion, an increase of USD 66.2 billion from USD 32.8 billion in 2023, with exports continuing to grow. The goods accounts rose by USD 62.5 billion year-on-year to USD 100.1 billion, while the services accounts increased by USD 3.1 billion to USD -23.7 billion.

Exports in 2024 continued to rise from late 2023 but began to decline in the second half due to stronger U.S. protectionism and other factors. In the fourth quarter, exports increased by 4.2%, mainly led by semiconductors, but the growth rate slowed compared to the previous quarter. Factors such as the imposition of US tariffs could increase downside pressure. Imports also continued to rise until the third quarter, but the growth rate declined in the fourth quarter to 0.9% due to a delay in the recovery of domestic demand.

Figure 4. Current account balance



Source: Bank of Korea(2025. 6)

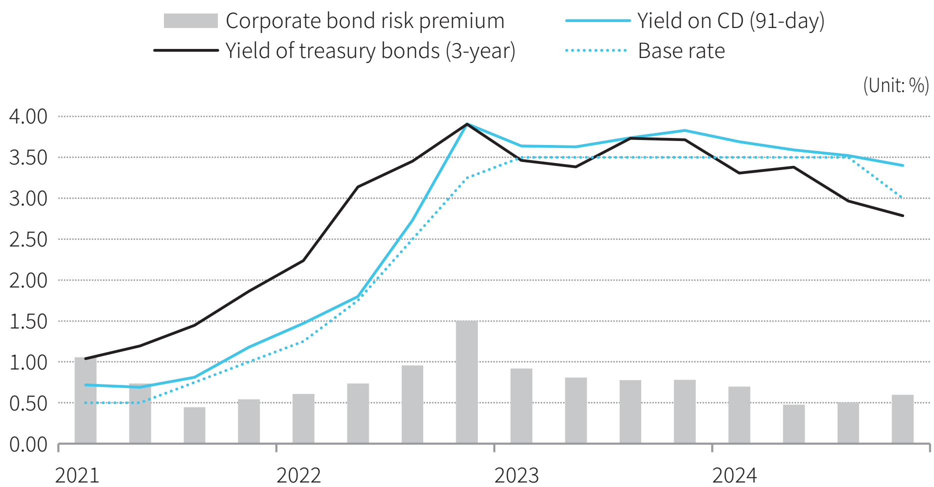
3) In this part, figures for imports and exports are the customs-clearance base, so these may differ from figures in the national accounts due to differences in statistical(or data) standards.

Interest rates

The Bank of Korea (BOK) has kept its base rate at 3.50% since 2023 and cut it by 25 basis points in October 2024 to reach 3.25%, followed by another 25 basis points in November to bringing it to 3.00%. The BOK kept the key rate at 3.50% through the first half of 2024 to maintain a tight monetary stance. Still, in the second half of the year, as inflation stabilized and downward pressure on growth increased, the BOK shifted its monetary policy stance by cutting the base rate twice.

The 3-year Treasury bond yield in 2024 continued to decline, falling from 3.31% in the first quarter to 2.79% in the fourth quarter, amid further cuts to the base rate and growing concerns of an economic slowdown. The market yield on corporate bonds (91-days) continued to decline, falling from 3.69% in the first quarter to 3.40% in the fourth quarter. Risk premiums on corporate bonds[4] continued to decline through the third quarter of 2024 but rebounded slightly in the fourth quarter.

Figure 5. Interest rates



Source: Bank of Korea(2025.6)

4) Corporate bond risk premium was computed as the difference between secondary market yields on 3-year AA-corporate bonds and yields on 3-year Korea treasury bonds.

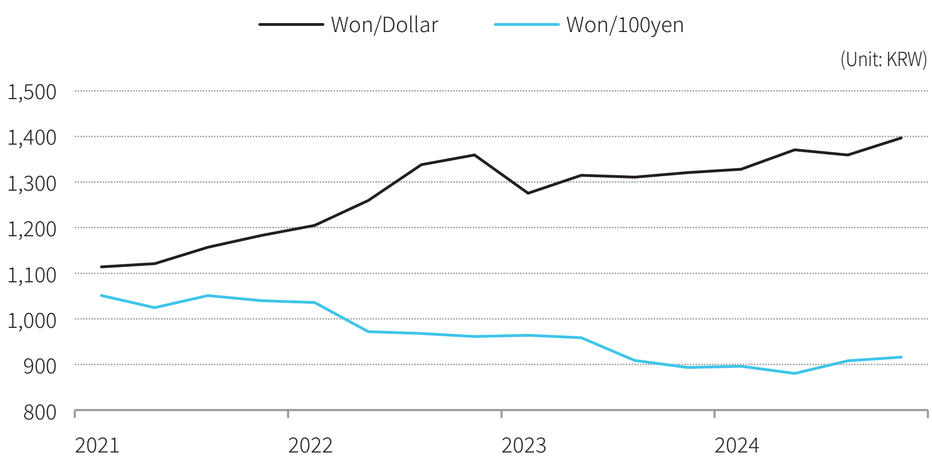
Exchange rates

The average KRW/USD exchange rate increased from KRW 1,305 in 2023 to KRW 1,363 in 2024 as the US dollar strengthened.

The KRW/USD exchange rate rose significantly to KRW 1,371 in the second quarter of 2024, and after a slight decline in the third quarter, it started to rise again in the fourth quarter, reaching KRW 1,390. The global strengthening of the U.S. dollar driven by the Trump trade before and after the U.S. presidential election, along with diminished expectations for a Fed rate cut, appears to have influenced the market. In particular, heightened domestic political uncertainty in the fourth quarter had a significant impact on the rise in the exchange rate.

The average KRW/JPY exchange rate in 2024 was KRW 900 per JPY 100, which continued to decline steadily from 2023 and remained around KRW 880 until the second quarter of 2024. From the third quarter onward, the exchange rate rose to KRW 916 in the fourth quarter as the yen strengthened, along with expectations that the Bank of Japan would continue to raise interest rates.

Figure 6. Foreign exchange rates



Source: Bank of Korea(2025.6)

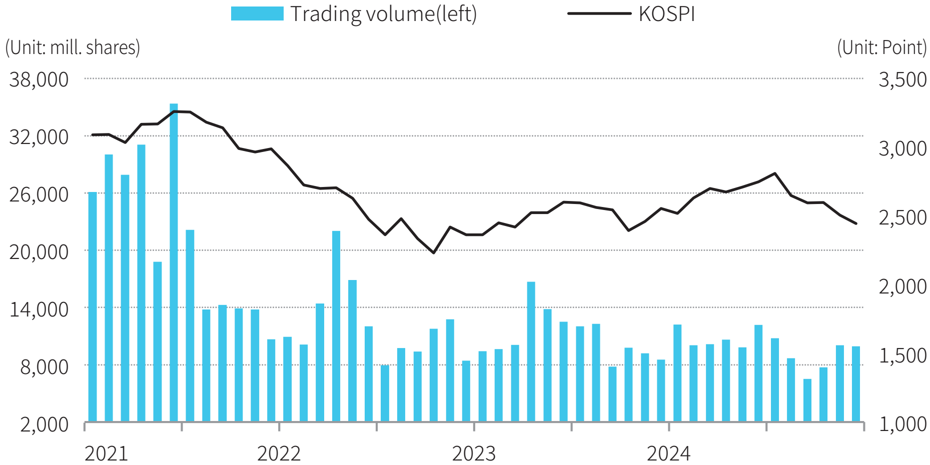
Stock price

In 2024, the Korea Composite Stock Price Index (KOSPI), one of South Korea's benchmark stock index, averaged 2,631 points.

The KOSPI continued its upward trend from the second half of 2023, rising to 2,809 points by mid-July 2024, driven by strong exports and growth in the AI industry. However, it then began to decline due to concerns about a slowdown in the US economy and escalating military tensions in the Middle East and remained at the 2,500-point level.

Since November, the KOSPI has been on a downward trend, falling to 2,444 points in December, as concerns heightened over factors such as the U.S. tariff hikes and increasing domestic political uncertainty, leading to a decline in investor sentiment.

Figure 7. KOSPI and trading volume



Source: Korea Exchange

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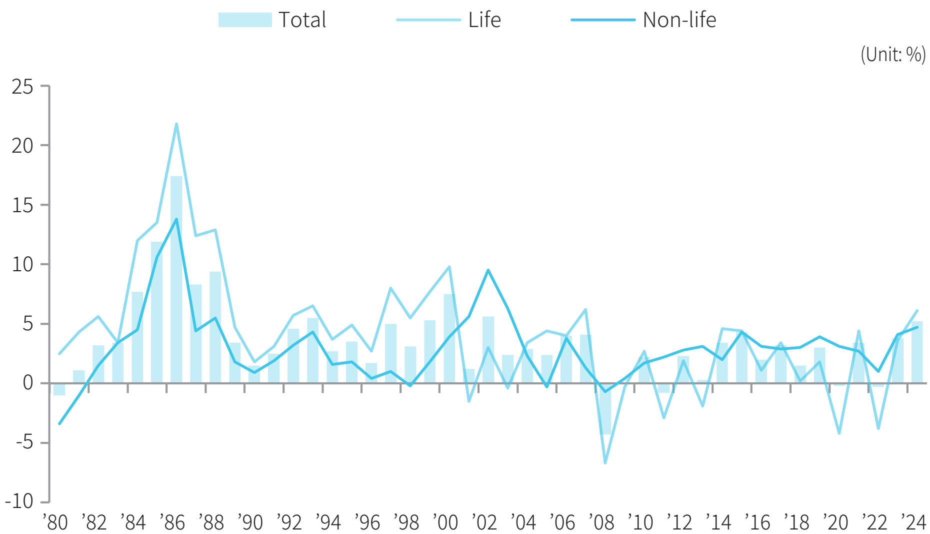
Insurance market environment

Overview

In 2024, total global insurance premiums reached USD 7.8 trillion, and the industry's premium growth rate increased to 5.2%, up from 3.8% in 2023. This strong performance was driven by high demand for savings products, rate hardening, and a recovery in demand.

Figure 8. Global real premium growth rate since 1980

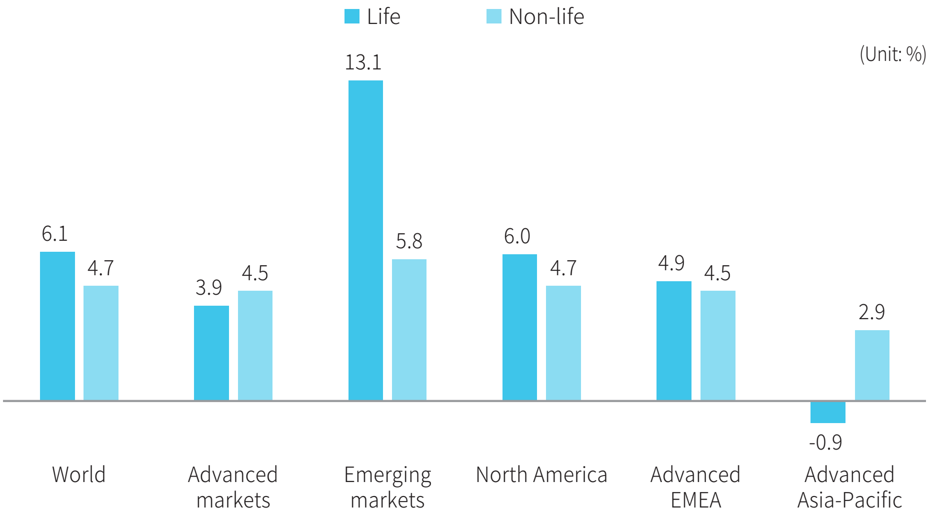


Source: Swiss Re, Sigma

The global premium growth rate in life insurance was 6.1% in 2024. Real life premium growth in advanced markets continued to rise and peaked at 3.9% in 2024, primarily due to higher-for-longer interest rates. Emerging market premiums registered strong real growth of 13.1% in 2024. This was mainly due to elevated interest rates, solid economic growth, buoyant equity markets, and regulatory developments. In China, premiums grew by double digits for a second consecutive year in 2024, driven by regulatory changes and strong sales of savings products as consumers rushed to lock in high returns ahead of anticipated interest rate cuts.

Global non-life premium growth increased to 4.7% in 2024 from 4.1% in 2023. Real premium growth in advanced markets reached 4.5% in 2024, up from 3.8% in 2023. Insurers increasing prices to cover rising claims severity was a key driver. Non-life premiums from emerging economies grew by 5.8% in 2024, in line with the previous decade's average of 5.7%. The Chinese market, which accounts for half of total emerging market premiums, saw its growth slow, while the Indian market recorded weaker growth due to regulatory changes.

Figure 9. Global real premium growth in 2024



Note: 1) Advanced markets: U.S., Canada, advanced EMEA, advanced Asia-Pacific
2) Emerging markets: Latin America and the Caribbean, Emerging Europe, Central Asia, Emerging Middle East, Africa, Emerging Asia
3) North America: U.S. and Canada
4) Advanced EMEA: U.K., France, Germany, Italy, Netherlands, Spain, Ireland, Switzerland, Belgium, Sweden, Denmark, Luxembourg, Finland, Norway, Austria, Israel, Portugal, Liechtenstein, Malta, Greece
5) Advanced Asia-Pacific: Japan, South Korea, Taiwan, Australia, Hong Kong, Singapore, New Zealand

Source: Swiss Re(2025), Sigma, No 2

The US and China remain, respectively, the first and second largest insurance markets in the world. With total premiums of USD 3.5 trillion in 2024, the US market share rose to 44.8% last year driven by strong premium growth. China was the second largest insurance market in the world, with a 10.2% share. The UK retained its ranking at third place in 2024, followed by Japan and France.

In 2024, Korea's total insurance premiums amounted to USD 176 billion, marking a 0.8% decrease from the previous year. The Korean insurance market accounted for 2.3% of global premium income, ranking 9th worldwide in terms of total premiums. In 2023, Korea ranked 7th but fell two places in 2024 after being overtaken by Canada and Italy.

Table 3. Total premium volume by country

(Unit: USD billion, %)

Rank	Country	Premium volume			Share of world market	
		2023	2024	Changes, 2024	2023	2024
1	United States	3,233	3,497	8.1	44.4	44.8
2	PR China	724	792	9.4	9.9	10.2
3	UK	454	485	6.8	6.2	6.2
4	Japan	363	339	-6.6	5.0	4.4
5	France	264	292	10.8	3.6	3.8
6	Germany	254	266	5.0	3.5	3.4
7	Canada	172	181	4.7	2.4	2.3
8	Italy	157	180	14.6	2.2	2.3
9	Korea	177	176	-0.8	2.4	2.3
10	India	136	141	4.0	1.9	1.8

Source: Swiss Re(2025), Sigma, No 2

Premium volumes and total assets

The total premium volumes of insurers in Korea increased by 1.4% from the previous year to KRW 241.0 trillion in 2024.

The premium volumes of life insurers reached KRW 113.4 trillion in 2024, representing a 0.9% increase from the previous year. The increase in sales of protection-type insurance has been significant after IFRS 17.

Non-life insurers reported 1.9% premium growth in 2024, with a total premium volume of KRW 127.6 trillion, as the premium income from long-term insurance[5)], fire insurance, marine insurance, and liability insurance increased.

Table 4. Premium volume of Korean insurers

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Life	119,587 (2.0)	118,849 (-0.6)	132,684 (11.6)	112,407 (-15.3)	113,440 (0.9)
Non-life	102,315 (7.0)	107,687 (5.3)	120,109 (11.5)	125,202 (4.2)	127,605 (1.9)
Total	221,902 (4.3)	226,537 (2.1)	252,792 (11.6)	237,609 (-6.0)	241,045 (1.4)

Note: Figures in ( ) refer to year-on-year growth rates.
Source: KIDI, Monthly Insurance Report

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

The total assets of insurers in Korea increased by 3.8% to KRW 1,273.2 trillion in 2024. The assets of life insurers increased by 2.6% to KRW 905.5 trillion, and those of non-life insurers increased by 7.0% to KRW 367.7 trillion.

Table 5. Total assets of Korean insurers

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Life	977,284 (6.4)	992,404 (1.5)	938,270 (-5.5)	882,565 (-5.9)	905,542 (2.6)
Non-life	343,871 (7.2)	366,308 (6.5)	371,814 (1.5)	343,705 (-7.6)	367,675 (7.0)
Total	1,321,155 (6.6)	1,358,712 (2.8)	1,310,084 (-3.6)	1,226,270 (-6.4)	1,273,217 (3.8)

Note: Figures in ( ) refer to year-on-year growth rates.
Source: KIDI, Monthly Insurance Report

Market landscape

In 2024, the Korean insurance market consisted of 54 insurers, comprising 22 life insurers and 32 non-life insurers.

The number of life insurers in 2024 remained unchanged at 22, following the merger of KB Life Insurance and Prudential Life Insurance in 2023.

The number of non-life insurers increased to 32 in 2024 from 31 in 2023 as Starr International Insurance Singapore Pte. Ltd. entered the non-life insurance market.

Table 6. Number of insurers in Korea(as of December 2024)

Classification		Domestic	Foreign	Total
Life Insurance		14	8	22
Non-Life Insurance	Primary	15	8	23
	Reinsurer	1	8	9
Total		30	24	54

Note: Foreign subsidiaries, branches, and joint ventures, in which foreign shareholders account for more than 50% of company shares, are regarded as foreign insurers.
Source: Financial Supervisory Service

As of December 2024, there were 11 listed insurance companies in Korea, comprising 4 life insurers and 7 non-life insurers. In 2023, Meritz Fire & Marine Insurance was delisted after it became a wholly owned subsidiary of Meritz Financial Group Inc., which reduced the number of listed non-life insurers from 8 to 7. However, on March 14, 2025, Seoul Guarantee Insurance was newly listed, bringing the number of listed non-life insurers back up to 8.

Table 7. Listed insurers in Korea(as of December 2024)

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 (7)	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

Source: Korea Listed Companies Association

Status of foreign insurers

The share of foreign insurers in the Korean life insurance market decreased by 0.4%p from 22.8% in 2023 to 22.4% in 2024.

Foreign insurers' share in the Korean non-life insurance market declined for the third consecutive year, from 2.1% in 2021 to 1.7% in 2024.

Table 8. Premium income and market share of foreign insurers

(Unit: KRW billion, %)

Classification	2020		2021		2022		2023		2024	
	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life
Premium income	25,167	2,161	24,451	2,266	27,203	2,259	25,585	2,267	25,398	2,211
Market share	21.0	2.1	20.6	2.1	20.5	1.9	22.8	1.8	22.4	1.7

Source: KIDI, Monthly Insurance Report

Market concentration

The market share of the top three life insurers (Samsung, Kyobo, and Hanwha) decreased to 50.9% in 2024 from 52.1% in 2023.

The market share of the top five non-life insurers (Samsung, DB, Hyundai, KB, and Meritz) increased by 0.6%p from 77.7% in 2023 to 78.3% in 2024.

Table 9. Market concentration

(Unit: %)

	Ranking	Company	Market share				
			2020	2021	2022	2023	2024
Life	1	Samsung Life	22.2	22.4	21.7	22.7	22.0
	2	Hanwha Life	12.4	12.4	14.0	12.5	16.1
	3	Kyobo Life	11.9	13.3	15.6	16.9	12.8
	4	Shinhan Life	4.8	5.5	5.8	6.3	6.2
	5	Tong Yang Life	4.8	4.9	6.9	4.8	4.2
	6	KB Life	2.3	1.9	1.6	3.7	4.1
	7	Mirae Asset Life	5.8	6.4	4.0	3.6	3.8
		Top 3	46.5	48.1	51.3	52.1	50.9
Non-life	1	Samsung Fire & Marine	23.9	22.3	20.3	21.5	21.7
	2	DB Insurance	15.6	16.6	16.0	16.7	16.8
	3	Hyundai Marine & Fire	16.1	15.3	15.1	14.7	14.6
	4	KB Insurance	12.9	12.2	13.3	12.0	13.1
	5	Meritz Fire & Marine	8.9	9.3	14.7	12.8	12.0
	6	Hanwha Non-Life	5.8	5.6	5.1	5.0	5.3
	7	Lotte Non-Life	4.2	6.2	4.0	6.1	5.2
		Top 5	77.5	75.8	79.4	77.7	78.3

Source: KIDI, Monthly Insurance Report

Life insurance industry

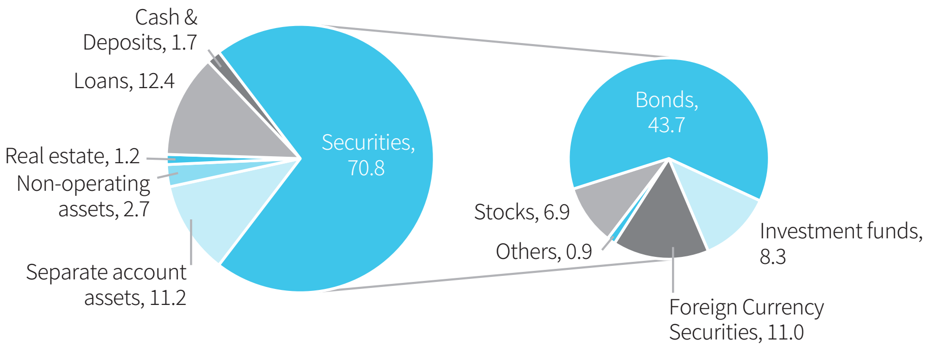
Statement of financial position

The total assets of life insurers increased to KRW 905.5 trillion in 2024, up 2.8% from KRW 880.9 trillion in 2023. This growth was primarily driven by an expansion in general account assets, which rose 3.7% year-on-year, approximately KRW 804 trillion. In contrast, separate account assets declined by 3.9% from the previous year, amounting to KRW 101.6 trillion, continuing the downward trend observed since 2023.

In terms of asset composition, securities remained the largest asset class, accounting for 70.8% of total assets. Of all securities, the share of bonds, foreign currency securities, stocks, and investment funds was 43.7%, 11.0%, 6.9%, and 8.3%, respectively. Assets held in loan represented 12.4% of the total assets. Separate accounts made up 11.2%, while non-operating assets[6)] accounted for 2.7%. Cash and deposits comprised 1.7%, and real estate accounted for 1.2% of total assets.

Figure 10. Asset portfolio in 2024

(Unit: %)



Note: 'Others' include overseas securities.
Source: Financial Supervisory Service

6) Non-operating assets include the unamortized deferred acquisition cost.

Table 10. Summary of statement of financial position(as of December 2024)

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Assets					
Cash and deposit	11,712 (1.2)	13,967 (1.4)	16,817 (1.8)	18,293 (2.1)	15,365 (1.7)
Securities	595,565 (60.9)	600,833 (60.5)	550,707 (58.7)	606,541 (68.9)	641,086 (70.8)
Stocks	59,998 (6.1)	60,413 (6.1)	51,484 (5.5)	68,173 (7.7)	62,244 (6.9)
Bonds	368,234 (37.7)	369,803 (37.3)	340,151 (36.3)	374,608 (42.5)	396,108 (43.7)
Investment funds	60,538 (6.2)	62,120 (6.3)	68,607 (7.3)	71,162 (8.1)	74,977 (8.3)
Foreign Currency Securities	101,656 (10.4)	103,614 (10.4)	85,707 (9.1)	86,382 (9.8)	99,372 (11.0)
Others	5,139 (0.5)	4,882 (0.5)	4,757 (0.5)	6,216 (0.7)	8,386 (0.9)
Loans	149,639 (15.3)	155,187 (15.6)	157,456 (16.8)	120,640 (13.7)	112,355 (12.4)
Real estate	12,322 (1.3)	11,902 (1.2)	11,567 (1.2)	11,502 (1.3)	10,990 (1.2)
Non-operating assets	29,052 (3.0)	24,260 (2.4)	32,853 (3.5)	18,244 (2.1)	24,146 (2.7)
Separate account assets	178,988 (18.3)	186,241 (18.8)	168,873 (18.0)	105,694 (12.0)	101,601 (11.2)
Total asset	977,278	992,389	938,274	880,914	905,542
Liabilities					
Policy reserves	649,831	669,466	674,201	628,465	679,123
Policyholder equity adjustments	19,396	14,546	5,543	10,566	7,408
Other liabilities	27,031	26,939	31,402	32,624	35,110
Separate account liabilities	184,441	193,956	177,135	105,890	101,810
Total liabilities	880,699	904,907	888,280	777,545	823,451
Shareholders' equity					
Capital stock	11,514	12,368	12,530	12,365	12,887
Capital surplus	7,737	9,584	9,020	10,302	10,231
Retained earnings	36,307	37,324	40,978	51,888	57,500
Capital adjustment	-3,291	-3,578	-3,802	-4,019	-4,013
Other accumulative comprehensive income	40,091	27,095	-12,870	28,854	286
Total shareholders' equity	96,580	87,482	49,994	103,369	82,091
Total liabilities and shareholders' equity	977,278	992,389	938,274	880,914	905,542

Note: Figures in ( ) refer to the percentage share of the total assets.
Source: Financial Supervisory Service

In 2024, the total liabilities of life insurers rose to KRW 823.5 trillion, up from KRW 777.5 trillion in the previous year. This increase reflects a partial rebound from the sharp decline in 2023, which was due to the transition to IFRS 17, introducing mark-to-market valuation of insurance liabilities.

Meanwhile, shareholders' equity declined sharply in 2024 to KRW 82.1 trillion, down from KRW 103.4 trillion in 2023.

Income statement

In 2024, the net income of life insurers increased to KRW 5.6 trillion, up 10.6% from KRW 5.1 trillion in 2023. This marks the second consecutive year of profit growth following the implementation of IFRS 17.

The net underwriting balance further decreased to KRW 4.3 trillion, down from KRW 4.9 trillion in 2023. This decline was primarily due to an increase in other losses resulting from the strengthened IBNR reserving standards, despite higher amortization of the CSM.

Meanwhile, net investment income rose to KRW 3.1 trillion in 2024, up from KRW 1.6 trillion in 2023. Although interest and dividend income remained stable, investment gains and losses became more volatile due to fluctuations in the valuation of financial assets.

Table 11. Summary of income statement

(Unit: KRW billion, %)

Classification		2020	2021	2022	2023	2024
Income	Underwriting	81,802	78,986	94,494	32,370	34,203
	Investment	37,667	37,428	43,700	60,061	67,111
	Other	5,117	4,939	4,803	340	346
	Total	124,585	121,353	142,998	92,771	101,659
Expenditure	Underwriting	104,204	101,796	116,366	27,496	29,940
	Investment	14,947	13,637	20,729	58,443	64,086
	Other	1,036	1,190	1,203	478	572
	Total	98,149	97,661	135,005	86,417	94,598
Net balance	Underwriting	-22,402	-22,810	-21,871	4,874	4,262
	Investment	22,720	23,791	22,971	1,618	3,025
	Other	4,081	3,749	3,601	-138	-226
	Total	4,399	4,730	4,701	6,354	7,061
Tax		944	1,004	995	1,259	1,424
Net income (loss)		3,454	3,726	3,705	5,095	5,637

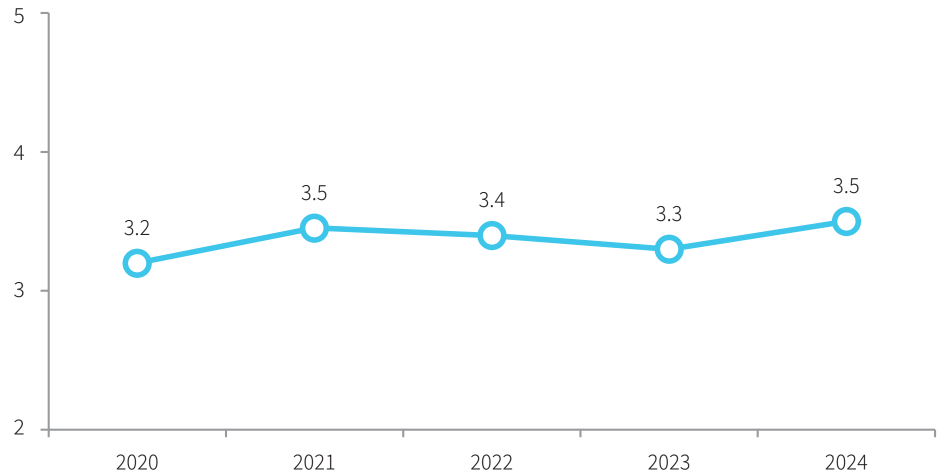
Note: Net balance of underwriting includes the net balance of policy reserve.
Source: KIDI, Monthly Insurance Report

Investment rate of return

The rate of return for life insurers increased to 3.5% in 2024, up from 3.3% in 2023, driven by a significant improvement in investment gains and losses.

Figure 11. The rate of return on asset management

(Unit: %)



Source: KIDI, Monthly Insurance Report

Premium income

1. Trends in insurance contracts

The value of new business contracts in 2024 was KRW 235.4 trillion, down 3.5% compared to 2023, primarily due to a decline in group insurance sales. The value of lapses and surrenders decreased slightly to KRW 211.0 trillion, down 3.9% from the previous year. The value of business in force, representing the total value of active insurance contracts excluding those terminated by maturity, lapse, or surrender, declined by 1.6% to KRW 2,337.1 trillion.

Table 12. Insurance contracts

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
New business	309,191 (3.0)	283,492 (-8.3)	266,443 (-6.0)	243,946 (-8.4)	235,424 (-3.5)
Lapses & surrenders	237,963 (-4.8)	211,117 (-11.3)	216,932 (2.8)	219,690 (1.3)	211,042 (-3.9)
Business in force	2,448,368 (-0.1)	2,454,418 (0.2)	2,424,609 (-1.2)	2,374,029 (-2.1)	2,337,126 (-1.6)

Note: Figures in ( ) refer to growth rates.
Source: KIDI, Monthly Insurance Report

2. Premium income by product type

• Pure endowment insurance(annuity and new pension savings)

Premium income from pure endowment insurance was KRW 24.1 trillion in 2024, representing a 9.5% increase compared to the previous year.

• Protection-type insurance(whole life, critical illness, term life and health insurance)

Premium income from protection-type insurance rose by 13.2% year-on-year to KRW 54.3 trillion in 2024, mainly driven by the continued growth of health insurance with no or low surrender value refunds.

• Endowment insurance(tax-favored savings type insurance, asset-linked insurance and foreign currency insurance)

Premium income from endowment insurance declined to KRW 4.6 trillion in 2024, down 21.9% from 2023. This sharp decline is attributable to a strategic focus on selling protection-type insurance to generate contractual service margins despite a year-on-year increase in new sales of non-taxable pension insurance.

• Variable insurance(variable annuity, variable whole-life insurance, variable universal life insurance and others)

Premium income from variable insurance remained stable at KRW 12.3 trillion, marking a slight year-on-year increase of 0.4%, supported by new sales driven by a stock market recovery.

• Group insurance(pension plans and general group insurance)

Group insurance premium income fell by 25.4% to KRW 18.1 trillion in 2024.

Table 13. Premium income by product type

(Unit: KRW billion, %)

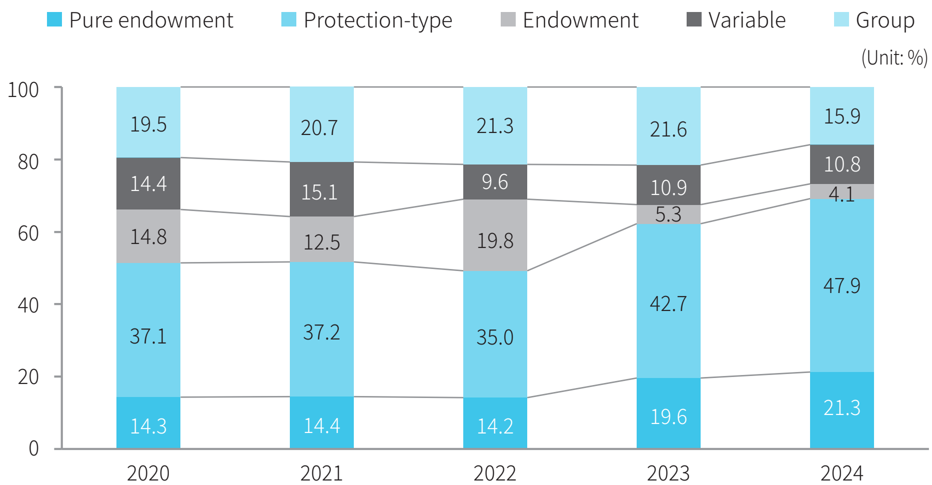
Classification		2020	2021	2022	2023	2024
Individual total		96,285 (4.8)	94,240 (-2.1)	104,372 (10.8)	88,161 (-15.5)	95,356 (8.2)
	Pure endowment	17,082 (-0.2)	17,142 (0.3)	18,827 (9.8)	22,021 (17.0)	24,114 (9.5)
	Protection-type	44,316 (4.2)	44,266 (-0.1)	46,488 (5.0)	47,999 (3.2)	54,343 (13.2)
	Endowment	17,662 (21.6)	14,897 (-15.7)	26,322 (76.7)	5,918 (-77.5)	4,625 (-21.9)
	Variable	17,224 (-2.6)	17,935 (4.1)	12,735 (-29.0)	12,224 (-4.0)	12,274 (0.4)
Group		23,303 (-8.3)	24,609 (5.6)	28,312 (15.0)	24,247 (-14.4)	18,084 (-25.4)
Total		119,587 (2.0)	118,849 (-0.6)	132,684 (11.6)	112,407 (-15.3)	113,440 (0.9)

Note: 1) Figures in ( ) refer to growth rates.
2) In 2023, the insurance company's report was revised. To maintain continuity, the categories were adjusted as follows: Endowment insurance includes asset-linked insurance and foreign currency insurance. Additionally, pure endowment insurance encompasses new pension savings.
Source: KIDI, Monthly Insurance Report

3. Market share of premium income by product type

The market share of protection-type insurance and pure endowment rose to 47.9% and 21.3%, respectively, up by 5.2%p and 1.7%p from 2023. Meanwhile, Variable insurance maintained a stable position, edging down slightly to 10.8% in 2024 from 10.9% in 2023. Endowment insurance declined further to 4.1%, down 1.2%p compared to the previous year.

Figure 12. Market share of premium income by insurance product type



Source: KIDI, Monthly Insurance Report

4. Premium income by company group

In 2024, the market share of the top three life insurers, other domestic insurers, and foreign insurers were 50.9%, 30.8%, and 18.3%, respectively. The market share of other domestic insurers increased by 2.0%p from the previous year, while the shares of the top three insurers and foreign insurers declined by 1.2%p and 0.8%p, respectively.

Table 14. Premium income by company group

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Top three companies	55,595 (46.5)	57,157 (48.1)	68,110 (51.3)	58,613 (52.1)	57,788 (50.9)
Other domestic companies	38,825 (32.5)	37,242 (31.3)	37,371 (28.2)	32,326 (28.8)	34,931 (30.8)
Foreign companies	25,167 (21.0)	24,451 (20.6)	27,203 (20.5)	21,469 (19.1)	20,721 (18.3)
Total	119,587 [2.0]	118,849 [-0.6]	132,684 [11.6]	112,407 [-15.3]	113,440 [0.9]

Note: The figures in ( ) and [ ] refer to percentage shares and growth rates, respectively.
Source: KIDI, Monthly Insurance Report

Expenditures

Claims paid by life insurers decreased by 7.6% to KRW 109.6 trillion in 2024.

The operating expenses of life insurers totaled KRW 22.9 trillion in 2024, marking a 23.9% increase from 2023. This increase was driven by intensified sales competition resulting from the shift in product portfolios toward protection-type insurance.

Table 15. Claims paid and operating expenses

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Claims paid	95,247 (3.5)	99,173 (4.1)	134,368 (35.5)	118,558 (-11.8)	109,590 (-7.6)
Operating expenses	15,376 (0.4)	14,686 (-4.5)	15,121 (3.0)	18,503 (22.4)	22,930 (23.9)

Note: Figures in ( ) refer to annual growth rates.
Source: KIDI, Monthly Insurance Report

Management efficiency

The ratio of claims paid, defined as claims paid per premium income, decreased to 96.6% in 2024, representing a decline of 8.9%p compared to 2023.

The ratio of lapses and surrenders, calculated as the amount of contracts lapsing and surrendering divided by the total amount of business in force and new business value, was 8.1% in 2024, a decrease of 0.1%p from 2023.

The expense ratio for 2024 is 19.8%, up from the previous year, driven by increased sales of health insurance with no or low surrender value refunds, single-premium annuity insurance, and short-term payment whole life insurance.

Table 16. Management efficiency

(Unit: %)

Classification	2020	2021	2022	2023	2024
The ratio of claims paid	79.6	83.4	101.3	105.5	96.6
The ratio of lapses and surrenders	8.6	7.7	7.7	8.2	8.1
The ratio of operating expenses	12.9	12.4	11.4	16.5	19.8

Source: KIDI, Monthly Insurance Report

Distribution

1. Market share by distribution channel

In 2024, the market share of solicitors, agents, and bancassurance channels expanded due to increased sales of protection-type insurance. However, the share of the direct writer's channel and brokers channel decreased.

The shares of the solicitor and agent channels in total initial premium income each rose to 6.9%. The market share of the bancassurance channel increased by 7.1%p to 69.8% in 2024, driven by higher sales of lump-sum savings-type insurance products. Meanwhile, the market share of the direct writer's channel and brokers channel fell to 16.1% and 0.004%, respectively, representing declines of 9.3%p and 0.05%p compared to 2023.

Table 17. Market share indicated by initial premium income by distribution channel

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Direct writers	5,747 (34.9)	5,290 (30.5)	6,125 (19.2)	4,811 (25.4)	3,735 (16.1)
Solicitors	1,796 (10.9)	1,495 (8.6)	3,785 (11.9)	1,278 (6.7)	1,610 (6.9)
Agents	917 (5.6)	1,595 (9.2)	4,014 (12.6)	962 (5.1)	1,608 (6.9)
Brokers	21 (0.1)	23 (0.1)	28 (0.1)	11 (0.1)	1 (0.0)
Bancassurance	7,974 (48.4)	8,937 (51.5)	17,933 (56.2)	11,887 (62.7)	16,187 (69.8)
Others	8 (0.0)	7 (0.0)	34 (0.1)	21 (0.1)	44 (0.2)
Total	16,461 (100.0)	17,346 (100.0)	31,919 (100.0)	18,970 (100.0)	23,185 (100.0)

Note: Figures in ( ) refer to percentage market share.
Source: KIDI, Monthly Insurance Report

2. Number of solicitors and insurance agents

In 2024, the number of solicitors turned positive, reaching 65,886, an increase of 12.7% from the previous year.

The number of agents increased by 9.5%, from 263,321 in 2023 to 288,446 in 2024, mainly due to exclusive solicitors transferring to general agencies in response to excessive settlement support incentives.

Table 18. Number of solicitors, and agents

(Unit: persons, %)

Classification	2021	2022	2023	2024
Solicitors	66,161 (-29.4)	59,002 (-10.8)	58,471 (-0.9)	65,886 (12.7)
Agents	247,535 -	249,251 (0.7)	263,321 (5.6)	288,446 (9.5)

Note: 1) Figures in ( ) refer to annual growth rates.
2) The figures of solicitors exclude cross-selling solicitors.
3) The figures of agents indicate the number of agents.
Source: KIDI, Monthly Insurance Report

Non-life insurance industry

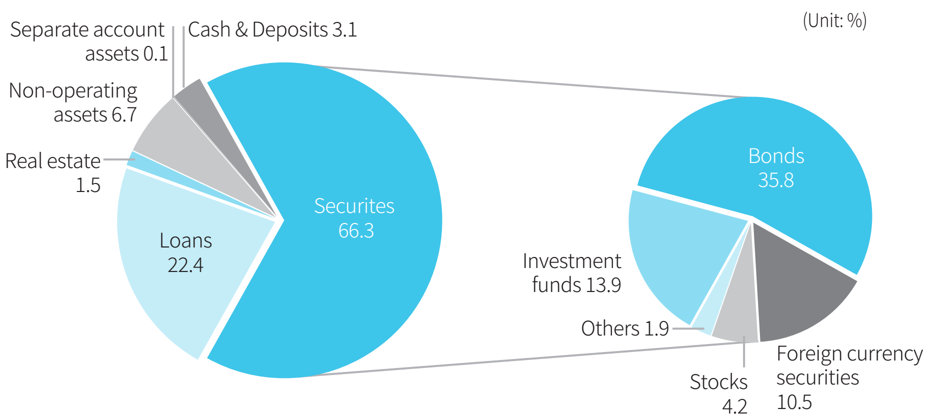
Statement of financial position

The total assets of non-life insurers in 2024 were KRW 367.8 trillion, an increase of 7.0% from 2023. General account assets, excluding separate account assets, grew by 7.0% over 2023. The assets in the separate account assets increased by 13.1% to KRW 199 billion in 2024.

In 2024, the share of securities rose by 0.8%p over 2023 to 66.3%. Securities accounted for the most significant portion of the total assets of non-life insurers in 2024, comprising bonds (35.8%), investment funds (13.9%), foreign currency-denominated securities (10.5%), stocks (4.2%), and other assets (1.9%).

Loans accounted for 22.4% of the asset portfolio in 2024. The share of non-operating assets decreased by 0.1%p in 2024 to 6.7%. Cash and deposits rose to 3.1% in 2024, a 0.1%p increase over 2023. Real estate accounted for 1.5%, the same as in 2023.

Figure 13. Asset portfolio in 2024



Note: 'Others' include overseas securities
Source: Financial Supervisory Service

Table 19. Summary of statement of financial position(as of December 2024)

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Assets					
Cash and deposits	6,522 (1.9)	6,318 (1.7)	9,791 (2.6)	10,430 (3.0)	11,571 (3.1)
Securities	188,826 (54.9)	199,622 (54.5)	193,179 (52.0)	226,303 (65.8)	243,656 (66.3)
Stocks	11,704 (3.4)	12,471 (3.4)	9,791 (2.6)	15,310 (4.5)	15,268 (4.2)
Bonds	101,511 (29.5)	104,176 (28.4)	101,880 (27.4)	120,151 (35.1)	131,593 (35.8)
Investment funds	41,253 (12.0)	414,882 (12.3)	48,193 (13.0)	51,790 (15.1)	51,250 (13.9)
Foreign Currency Securities	32,876 (9.6)	35,835 (9.8)	32,182 (8.7)	33,162 (9.6)	38,710 (10.5)
Others	1,483 (0.4)	2,258 (0.6)	1,133 (0.3)	4,536 (1.3)	6,835 (1.9)
Loans	76,985 (22.4)	81,590 (22.3)	85,925 (23.1)	78,144 (22.7)	82,348 (22.4)
Real estate	5,661 (1.6)	5,901 (1.6)	5,239 (1.4)	5,179 (1.5)	5,509 (1.5)
Non-operating assets	37,421 (10.9)	38,609 (10.5)	43,624 (11.7)	23,462 (6.8)	24,491 (6.7)
Separate account assets	28,681 (8.3)	34,267 (9.4)	34,600 (9.3)	176 (0.1)	199 (0.1)
Total assets	344,096	366,308	371,814	343,705	367,773
Liabilities					
Policy reserves	244,943	257,870	267,502	258,743	282,411
Other liabilities	21,568	25,126	24,693	21,564	25,148
Separate account liabilities	30,905	36,190	40,767	173	199
Total liabilities	297,416	319,186	332,962	280,480	307,759
Shareholders' equity					
Capital stock	3,459	3,471	4,151	4,487	4,777
Capital surplus	3,554	3,460	3,057	3,113	3,102
Retained earnings	29,503	33,221	37,668	50,172	55,806
Capital adjustment	-1,892	-2,179	-2,044	-1,869	-1,873
Other cumulative comprehensive Income	12,056	9,149	-4,000	7,322	-1,806
Total shareholders' equity	46,680	47,122	38,852	63,225	60,014
Total liabilities and shareholders' equity	344,096	366,308	371,814	343,705	367,773

Note: Figures in ( ) refer to the percentage share of the total assets.
Source: Financial Supervisory Service

In 2024, the total liabilities of non-life insurers increased to KRW 308 trillion from KRW 280 trillion in 2023. Due to the decline in interest rates and the reduction in the discount rate for insurance liabilities resulting from regulatory improvements, liabilities have increased.

The total shareholders' equity decreased to KRW 60.0 trillion in 2024 from KRW 63.2 trillion in 2023. To prevent insurers from overstating earnings and to safeguard market stability, financial authorities mandated a further reduction in the discount rate. Coupled with a decline in interest rates in 2024, this resulted in higher insurance liabilities being recognized on insurers' balance sheets, thereby reducing total shareholders' equity.

Income statement

The net income of non-life insurers in 2024 increased by 3.0% from 2023 to reach KRW 8.5 trillion. The underwriting of expenditure in 2024 totaled KRW 87.0 trillion, a 3.7% increase from 2023. Increased loss ratios—driven by reductions in motor insurance premiums and higher long-term insurance claims attributable to climate change—resulted in a modest decline in insurance profits. The surplus from investment increased to KRW 3.3 trillion in 2024 from KRW 2.7 trillion in 2023, mainly due to an increase in interest and dividend income, which significantly improved investment results.

Table 20. Summary of income statement

(Unit: KRW billion, %)

Classification		2020	2021	2022	2023	2024
Income	Underwriting	86,116	90,372	95,301	92,879	95,955
	Investment	12,859	12,634	14,159	17,431	21,979
	Other	444	536	641	149	194
	Total	99,419	103,541	110,101	103,419	112,284
Expenditure	Underwriting	90,482	92,942	96,717	84,551	87,713
	Investment	4,634	4,008	5,069	14,738	18,717
	Other	663	627	958	182	260
	Total	95,779	97,577	102,743	88,671	95,975
Net balance	Underwriting	-4,366	-2,571	-1,415	8,328	8,243
	Investment	8,225	8,626	9,090	2,693	3,262
	Other	-219	-91	-317	-33	-66
	Total	3,640	5,964	7,358	10,981	11,441
Tax		1,021	1,639	1,882	2,720	2,928
Net income (loss)		2,619	4,326	5,476	8,261	8,513

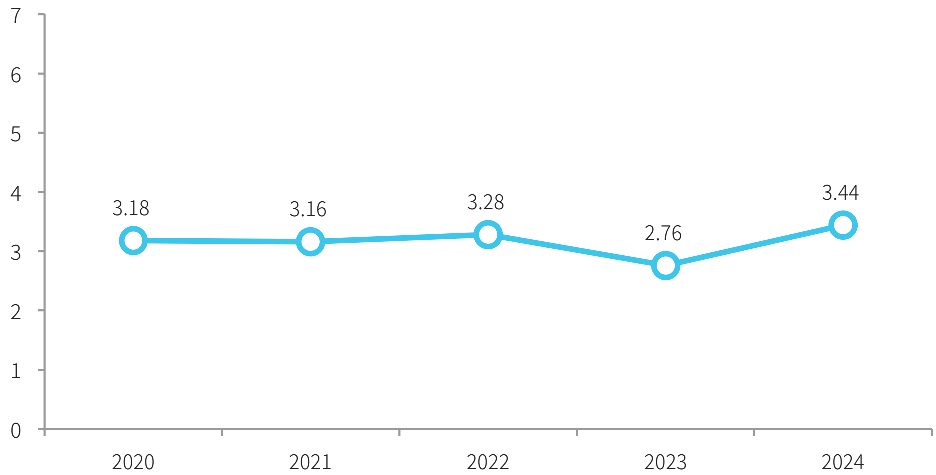
Source: Financial Supervisory Service

Investment rate of return

In 2024, the rate of return on non-life insurers' investments increased to 3.44% from 2.76% in 2023. Anticipation of a policy rate cut in 2024 prompted market yields to price it in advance, generating substantial valuation gains and resulting in performance improvements compared to the 2023 average.

Figure 14. The rate of return on asset management

(Unit: %)



Source: KIDI, Monthly Insurance Report, Issues

Direct premiums written

The direct premiums written[7)] of non-life insurers[8)] in 2024 amounted to KRW 127.6 trillion. The growth rate decreased to 1.9% in 2024 from 4.2% in 2023.

In particular, the growth rate of direct premiums written in marine insurance represented a 9.8% increase. The direct premiums written for fire insurance and long-term insurance were 8.3% and 5.8%, respectively, over 2024; on the other hand, the direct premiums written from individual annuities and automobile insurance in 2024 fell by 13.0% and 1.8% from 2023, respectively.

Table 21. Direct premiums written by line

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Fire	276 (1.6)	318 (15.3)	320 (0.3)	329 (2.9)	356 (8.3)
Marine	704 (17.4)	744 (5.6)	876 (17.8)	959 (9.4)	1,053 (9.8)
Automobile	19,613 (11.6)	20,347 (3.7)	20,840 (2.4)	21,121 (1.4)	20,742 (-1.8)
Guarantee	2,030 (5.0)	2,031 (0.0)	2,084 (2.6)	2,229 (7.0)	2,288 (2.6)
Casualty	7,077 (8.6)	7,824 (10.6)	8,517 (8.9)	9,294 (9.1)	9,859 (6.1)
Long-term	55,922 (5.3)	58,834 (5.2)	61,797 (5.0)	64,264 (4.0)	67,992 (5.8)
Annuities	2,992 (-9.1)	2,593 (-13.3)	2,180 (-15.9)	1,948 (-10.7)	1,694 (-13.0)
Pension plans	13,118 (11.4)	14,308 (9.1)	22,528 (57.4)	24,016 (6.6)	22,295 (-7.2)
Overseas direct	582 (10.4)	688 (18.2)	968 (40.6)	1,042 (7.7)	1,326 (27.2)
Total	102,315 (7.0)	107,687 (5.3)	120,109 (11.5)	125,202 (4.2)	127,605 (1.9)

Note: 1) Figures in ( ) refer to growth rates.
2) Pension plans include retirement insurance.
Source: KIDI, Monthly Insurance Report, Issues

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

8) 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.

1. Lines of business

Fire insurance

The premium income from fire insurance in 2024 grew by 8.3% to KRW 356 billion. Homeowners' fire insurance has grown as demand has increased for coverage of various risks, including wind and flood disasters, earthquakes, and liability.

Marine insurance

In 2024, marine insurance premium income was KRW 1,053 billion, which grew by 9.8% compared to 2023. This growth was driven by the increase in ship orders, import and export volumes, and the expansion of the liability insurance market.

Automobile insurance

The premium income from automobile insurance amounted to KRW 20.7 trillion in 2024, representing a 1.8% decrease over the previous year. Automobile insurance growth weakened due to a slowdown in the growth rate of registered vehicles, while a higher share of online sales and expanded discount endorsements led to premium reductions, contributing to a decrease in earned premiums per vehicle.

Guarantee insurance

In 2024, the premium income from guarantee insurance amounted to KRW 2.3 trillion. Demand for credit-related guarantee insurance has been on an upward trend; however, considering the economic slowdown, growth has remained modest.

Casualty insurance[9)]

The premium income from casualty insurance in 2024 was KRW 9.9 trillion, representing a 6.1% increase from 2023. Casualty insurance has grown due to various structural factors, including the emergence of new coverage areas driven by changes in industrial structure and the expansion of mandatory liability insurance.

9) Casualty insurance consists of various types of insurances that cover the risks such as liability, accident, theft, and damage of objects.

Long-term insurance[10)]

In 2024, premium income from long-term insurance grew by 5.8% compared to 2023, reaching KRW 68.0 trillion. The increase was due to accident and sickness insurance as well as driver insurance. Accident and sickness insurance premium income in 2024 rose by 8.9% over 2023. Sales increased following the expansion of additional coverages—such as daily hospitalization and caregiver allowances for single rooms at tertiary hospitals—and the introduction of a new experience mortality table. Driver insurance premium income in 2024 increased by 3.0% over 2023, driven by strengthened driver liability requirements and the introduction of new coverage lines. On the other hand, the premiums for savings-type insurance decreased by 55.6% in 2023. Savings-type insurance policies, which require insurers to return premiums plus interest to policyholders at maturity, impose a substantial refund liability and generate minimal profitability; consequently, non-life insurers have focused more than ever on selling protection-oriented products since the implementation of IFRS 17.

Annuities[11)]

In 2024, premium income from individual annuities decreased by 13.0% from 2023 to KRW 1.7 trillion, primarily due to adjustments in non-life insurers' portfolio strategies.

Pension plans[12)]

The premium income from retirement pension plans in 2024 decreased by 7.2% over 2023 to KRW 22.3 trillion. With the onset of the 2024 interest rate cut cycle, interest rate competitiveness weakened relative to other financial sectors.

10) Long-term insurance includes savings-type products with a maturity of 5 to 15 years combined with health insurance coverage for medical expenses.

11) 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.

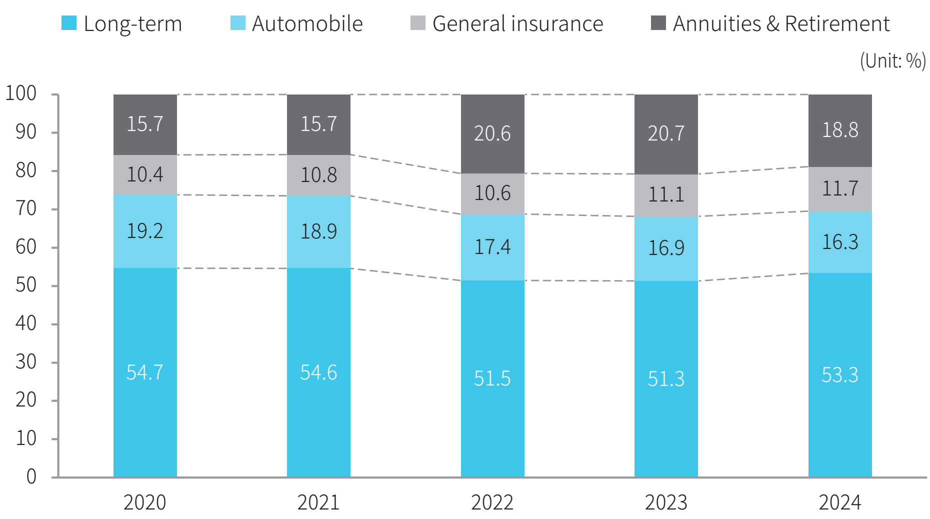
12) The retirement products include annuities and pension plans.

2. The share of direct premiums written by line

Overall, the shares of direct premiums in long-term insurance and general insurance increased. In contrast, the shares of the direct premiums in pension plans and automobile insurance decreased in the non-life insurance market in 2024.

The shares of long-term insurance and general insurance rose to 53.3% and 11.7% in 2024 from 51.3% and 11.1% in 2023, respectively. Meanwhile, annuities & pension plans accounted for 18.8%, and automobile insurance accounted for 16.3% in 2024, indicating a decline of 1.9%p and 0.6%p compared to 2023, respectively.

Figure 15. Market share by line



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

Expenditures

1. Incurred losses by line

The incurred losses of non-life insurers increased to KRW 78.3 trillion in 2024 from KRW 75.1 trillion in 2023. The incurred losses increased in marine insurance, automobile insurance, guarantee insurance, and long-term insurance.

Automobile insurance incurred losses rose to KRW 16.5 trillion in 2024 from KRW 15.9 trillion in 2023. The incurred losses from marine insurance, guarantee insurance, and long-term insurance in 2024 increased to KRW 283 billion, KRW 1.4 trillion, and KRW 53.5 trillion, respectively. Meanwhile, fire insurance incurred losses declined to KRW 139 billion.

Table 22. Incurred losses by line

(Unit: KRW billion)

Classification	2020	2021	2022	2023	2024
Fire	187	144	170	164	139
Marine	243	154	229	232	283
Automobile	14,853	15,261	15,766	15,908	16,520
Guarantee	1,021	742	709	1,118	1,408
Casualty	4,799	4,907	6,040	6,476	6,474
Long-term	44,662	46,955	48,166	51,244	53,483
Total	65,765	68,163	71,080	75,143	78,308

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

2. Net operating expenses by line

Net operating expenses of non-life insurers reached KRW 24.2 trillion in 2024, up from KRW 21.4 trillion in 2023. Except for automobile insurance, all lines of business recorded increases in net operating expenses.

For casualty insurance, net operating expenses in 2024 increased to KRW 1.8 trillion. In addition, the net operating expenses of fire insurance, marine insurance, and guarantee insurance in 2024 grew to KRW 136 billion, KRW 142 billion, and KRW 334 billion, respectively. Net operating expenses for long-term insurance climbed to KRW 18.5 trillion in 2024 from KRW 15.9 trillion in 2023. Meanwhile, automobile insurance expenses declined to KRW 3.2 trillion in 2024.

Table 23. Net operating expenses by line

(Unit: KRW billion)

Classification	2020	2021	2022	2023	2024
Fire	114	121	124	130	136
Marine	92	103	113	130	142
Automobile	2,885	3,079	3,170	3,237	3,201
Guarantee	261	292	314	328	334
Casualty	1,257	1,365	1,504	1,638	1,847
Long-term	12,989	12,753	13,347	15,942	18,537
Total	17,599	17,713	18,572	21,406	24,196

Note: 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 total loss ratio of non-life insurers was 80.2% in 2024, 0.1%p higher than 80.1% in 2023. Marine insurance, automobile insurance, and guarantee insurance increased by 5.2%p, 3.3%p, and 14.5%p in 2024 compared to 2023, respectively. On the other hand, the loss ratio of fire insurance in 2024 fell by 14.7%p compared to 2023, to 55.3%. The loss ratio of casualty insurance and long-term insurance in 2024 decreased by 2.3%p and 0.8%p over 2023, respectively.

Table 24. Earned-incurred loss ratio by line

(Unit: %)

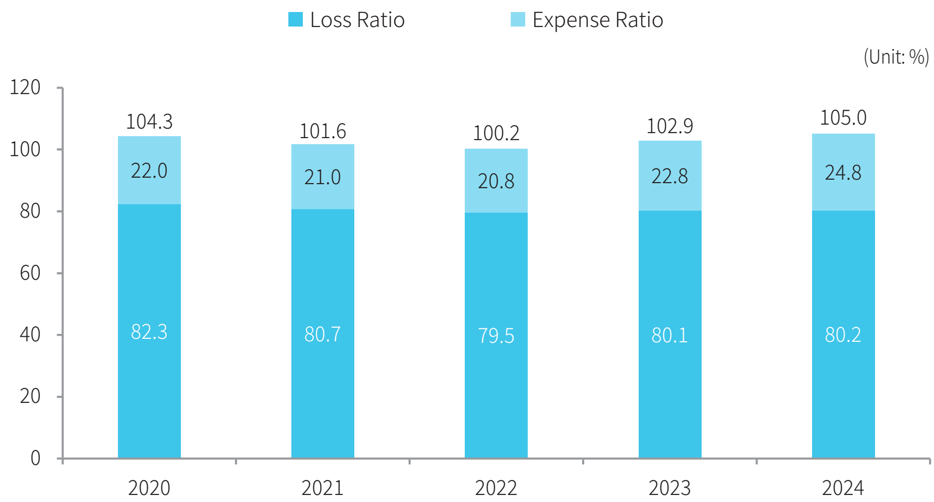
Classification	2020	2021	2022	2023	2024
Fire	82.8	60.4	70.4	70.0	55.3
Marine	82.3	47.1	58.9	55.2	60.4
Automobile	85.6	81.5	81.4	80.5	83.8
Guarantee	67.1	47.0	43.2	67.1	81.6
Casualty	78.6	74.1	78.3	79.0	76.7
Long-term	82.1	82.4	80.2	80.6	79.8
Total	82.3	80.7	79.5	80.1	80.2

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

2. Expense and combined ratios

The loss ratio and the expense ratio of non-life insurers in 2024 increased by 0.1%p and 2.0%p over 2023, respectively. Consequently, the combined ratio of non-life insurers-the sum of the loss ratio and the expense ratio-was 105.0% in 2024, which was 2.1%p higher than 102.9% recorded in 2023.

Figure 16. Combined ratio



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

Distribution

1. Market share by distribution channel

As the largest distribution channel, direct writers accounted for 45.4% in 2024. The market share of agents in 2024 was 33.5%. The market share of solicitors and brokers was 6.6% and 5.4% in 2024, respectively. The share of initial premium income from bancassurance in 2024 comprised 5.1%. The market share of others stood at 4.1% in 2024.

Table 25. Market share by distribution channel (total premium income)

(Unit: KRW billion, %)

Classification	2020	2021	2022	2023	2024
Direct writers	26,693 (26.3)	25,765 (24.8)	37,770 (31.6)	19,080 (47.0)	18,273 (45.4)
Solicitors	22,995 (22.6)	22,906 (22.1)	22,549 (18.9)	2,728 (6.7)	2,650 (6.6)
Agents	44,807 (44.1)	47,765 (46.1)	51,886 (43.4)	13,259 (32.7)	13,468 (33.5)
Brokers	1,331 (1.3)	1,639 (1.6)	1,910 (1.6)	1,983 (4.9)	2,171 (5.4)
Bancassurance	5,549 (5.5)	5,343 (5.2)	5,091 (4.3)	1,946 (4.8)	2,066 (5.1)
Others	293 (0.3)	293 (0.3)	228 (0.2)	1,600 (3.9)	1,634 (4.1)
Total	101,667 (100.0)	103,710 (100.0)	119,434 (100.0)	40,597 (100.0)	40,261 (100.0)

Note: 1) The market share by distribution channel was based on total premium income until 2022, but starting in 2023, it is based on initial premium income.
2) The premium income of pension plans is included.
Source: KIDI, Monthly Insurance Report, Issues

2. Numbers of solicitors and insurance agents

The number of solicitors in the non-life insurance market was 117,753 in 2024, representing a 14.0% increase compared to 2023, while the number of agents increased by 9.5% to 288,446.

Table 26. Number of solicitors, and agents

(Unit: persons, %)

Classification	2021	2022	2023	2024
Solicitors	103,219 (0.7)	99,426 (-3.7)	103,283 (3.9)	117,753 (14.0)
Agents	247,535 -	249,251 (0.7)	263,321 (5.6)	288,446 (9.5)

Note: 1) Figures in ( ) refer to annual growth rates.
2) The figures of solicitors exclude cross-selling solicitors.
3) The figures of agents indicate the number of agents.
Source: KIDI, Monthly Insurance Report

2025
KOREAN
INSURANCE
INDUSTRY

Insurance regulation and supervision

Insurance regulation

Supervision of insurance company

Changes in supervisory regulations of insurance business

Insurance regulation[13)]

1. 『Insurance Business Act』 and related laws

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

In 2010, the 『Insurance Business Act』 was amended to strengthen consumer protection. The explanation of the key provisions of insurance contracts and the consumers' acknowledgment became mandatory. Additionally, the amended law required insurers to be informed of their consumers' financial situations and recommend products that best suited their interests. Besides, the product development process was simplified so that insurers could not have regulatory filing (use without file) for certain products that meet specific regulatory requirements.

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

In 2012, the enforcement decree of the 『Insurance Business Act』 was revised to reflect the change in 『Agricultural Co-operative Law』. As 『Agricultural Co-operative Law』 was revised to 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 subsidiaries[14)].

13) This section is extracted from the publications of Financial Supervisory Service (FSS).
14) The insurance subsidiaries are called NongHyup Life Insurance Co., Ltd. and NongHyup Property & Casualty Insurance Co., Ltd.

The insurance section of the『Korean Commercial Code』was amended on March 11, 2014, and the amendment took 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 disabled people and the family members of a decedent, subrogation against family members was prohibited. The amendment required an obligatory explanation of the terms of the insurance contract and indicated the responsibility of insurance agents.

On May 18, 2017, the Financial Supervisory Commission (FSC) announced the implementation of IFRS 17 in the Korean insurance market for 2021; however, the introduction of IFRS 17 has been postponed to 2023. The『Insurance Business Act』was amended on June 11, 2021, for IFRS 17, and the amendment took effect on January 1, 2023. The FSS and the preparation committee of IFRS 17 released the final version of K-ICS introduced for the financial solvency of insurance companies on February 24, 2022. They amended the laws and the regulations related to K-ICS, and the amendment took effect on January 1, 2023.

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 primary legislation.

The significant legislation changes:

• Shifting to functional regulation

• Introducing a comprehensive system

• Expanding the business scope

• Upgrading the investor protection mechanism

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

The act provided measures to enhance investor protection by classifying investors into two groups: ordinary and professional. These measures were more inclined to protect the former. In addition, the rules, including the prohibition on unsolicited calls, the ban on misleading investors with uncertain matters, the adoption of a cooling-off period, and the duty to manage conflicts of interest were applicable to both 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 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 the insurance market with appropriate regulatory permission granted by the FSC. There are three different insurance licenses: life, non-life, and the so-called 'third insurance'[15).]

(a) Minimum incorporation capital requirement

The minimum capital required for the insurance business is KRW 30 billion. 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 KRW 5 billion.

15) 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.

• Life insurance: KRW 20 billion
• Annuity (including pension): KRW 20 billion
• Fire insurance: KRW 10 billion
• Marine insurance[16]: KRW 15 billion
• Automobile insurance: KRW 20 billion
• Guaranty insurance: KRW 30 billion
• Reinsurance: KRW 30 billion
• Liability insurance: KRW 10 billion
• Engineering insurance: KRW 5 billion
• Real-estate right insurance: KRW 5 billion
• Accident insurance: KRW 10 billion
• Sickness insurance: KRW 10 billion
• Long-term care insurance: KRW 10 billion
• Other insurance business: KRW 5 billion
• Small-amount and short-term insurance: KRW 2 billion

However, suppose insurers subscribe to over 90% of total contracts or premiums using telephone, mail, or electronic communications. In that case, they can enter 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 KRW 3 billion.

16) Including aviation and transportation insurance

(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.

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

Significant owners are required to possess the 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 supervisory 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 are 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 post-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 before 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 an ex-post supervisory review each quarter 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 month 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, financial investment services providers (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 company[17)]

1. Prudential standards

In 2023, the Korean Insurance Capital Standard (K-ICS) replaced risk-based capital (RBC), which was a capital regime for insurance companies for 12 years. The 『Insurance Business Act』, the governing legislation for K-ICS, has established a minimum capital ratio of 100 percent for the financial solvency of insurance companies. The capital ratio of K-ICS functions as a minimum regulatory capital for insurance companies, which is determined based on 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 capital ratio of K-ICS serves as the basis for the supervisory rating of insurance companies and any necessary prompt follow-up correction actions.

(a) Available capital

Available capital is the risk buffer available to cover any unexpected losses that insurance companies may sustain; under the K-ICS framework, it is calculated on a market-consistent fair value basis. Available capital is derived by first aggregating an insurance company's core capital (Tier 1), which primarily consists of paid-in capital, capital surplus, retained earnings, and accumulated other comprehensive income, together with supplementary capital (Tier 2) such as subordinated debt and loan loss reserves, and then deducting items including intangible assets such as goodwill, deferred acquisition costs, prepaid expenses, and any capital shortfalls of the insurance company's subsidiaries.

17) This section is extracted from the publications of Financial Supervisory Service; FSS Handbook 2014, 2019, and 2024.

Subordinated debt is recognized as capital under K-ICS to a limited extent; it may be included as Tier 2 capital within 50 percent of available capital. A 20-percent annual haircut is applied when the remaining maturity is five years or less. To qualify as Tier 2 capital, subordinated debt must meet strict criteria: it must be unsecured, non-redeemable without prior approval of the Financial Supervisory Service (FSS), and have an original maturity of at least five years. The total issuance amount is limited to within 400 percent of Tier 1 capital, and the purpose of issuance is restricted to mitigating maturity mismatches or maintaining financial soundness.

(b) Required capital

Required capital, which measures the total risk of an insurance company under the K-ICS framework, is calculated based on the company's underlying exposures to insurance risk, interest rate risk, market risk, credit risk, and operational risk, while reflecting prescribed correlation coefficients among these risks. Under K-ICS, most risk amounts are determined using a shock scenario approach. In addition, the K-ICS implementation has introduced five sub-risk categories, which are separately measured and incorporated into the total required capital.

2. Supervisory evaluation

The supervisory evaluation and rating regime was 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 the 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 management improvement recommendation (MIR) and management improvement demand (MID) to management improvement order (MIO). 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 limits and investment categories for insurers(see Table 27). On the other hand, amendments to the『Insurance Business Act』to enhance the autonomy of asset management in the insurance industry passed the Cabinet Council on 2nd May 2017. The purpose of amendments is to abolish items for real estate holdings, foreign currency holdings, and a sum of security deposits.

Table 27. 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』	50% of total assets	50% of each separate asset account

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

4. Corporate governance

• Outside directors[18)]

The board of directors of insurance companies whose assets exceed KRW 5 trillion must appoint three or more outside directors, and more than half of 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 KRW 300 billion must appoint at least one-fourth of outside directors.

• Audit committee

Insurance companies whose assets exceed KRW 5 trillion must establish an audit committee. The audit committee must comprise at least three directors, and at least two-thirds of its members must be outside directors. At least one member 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 of the votes of board members to ensure independence from company management.

• Internal controls and compliance

Together with the outside director and audit committee regimes, internal controls and compliance constitute the core of the corporate governance structure. Whereas outside directors and audit committees are particularly applicable to large financial institutions, internal control standards and compliance regimes apply to all financial services companies irrespective of the size, the types of business, and the listed status. For compliance purposes, at least one compliance officer must be appointed to monitor internal control compliance, investigate any instances of noncompliance, and report them to the audit committee. A vote by the board of directors is required to appoint or discharge a compliance officer. Foreign bank branches may appoint a compliance officer without satisfying the board approval requirement.

18) 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 director.

5. Consumer protection

• Dealing with insurance fraud

(a) Overview

The insurance policy was created with the positive purpose of sharing the losses incurred by various risks among insurance associations to help individuals sustain a stable life. However, because of its nature of paying money for unexpected future events, some try to exploit the policy illicitly. Indeed, insurance fraud cases are steadily increasing globally.

The primary victim of insurance fraud is insurance companies. However, given that any loss caused by insurance fraud is compensated for by insurance premiums, the ultimate victims are insurance policyholders. Speaking more broadly, we all fall victim to such fraud because we bear the social cost of the inspection, identification, and punishment process. Therefore, developing effective measures is crucial for the sound growth of the insurance market.

(b) Investigation process

The FSS takes the following investigation process for cases suspected of insurance fraud: i) reports from informants, ii) initial assessment, iii) data collection and analysis, and iv) notification of the charges. Evidence is generally collected through reports from insurance companies or tips from the general public. Next is an initial assessment phase to examine the suspect's insurance policy and accident records, and then previous claims, copies of documents, and other material evidence related to the allegations are collected. Various data, including the type of the accident, statements of the at-fault driver, the degree of property damage, the hospital length of stay, and medical records from the hospital regarding the accident, are analyzed. Based on the analysis, the FSS draws up a report on the fraud and refers it to the law enforcement authorities with supporting materials.

Generally, insurance fraud investigation is investigated in collaboration among insurance companies, the FSS, and law enforcement authorities (prosecutors and police). The FSS operates the Insurance Fraud Analysis System (IFAS), which conducts data collection, off-site monitoring, and identification of suspects, as well as the insurance fraud reporting center.

The IFAS is an information processing system that can automatically identify suspects by managing and analyzing databases on contracts and accident information. The system was developed to escape from the old-fashioned analog-style investigation process that depended on the intuition and experience of investigators. The primary functions of the IFAS are suspect identification, link analysis, social network analysis (SNA), verification of allegations, case management, and statistical analysis. Here, the SNA is a method for detecting the presence of organized fraud rings by visualizing networked structures based on the mass of data related to contracts and accidents. The FSS also reflects insurance companies' fraud prevention activities in supervisory ratings to raise their awareness.

Changes in supervisory regulations of insurance business

1. Reinforcement of financial consumer protection[19)]

• Revisions to policy terms for enhanced consumer protection [2024. 1. 2]

The FSS has revised insurance terms to protect consumers better. Routine checkups without treatment are no longer considered "additional tests" for disclosure. Exclusions may be lifted after five years without treatment or symptom aggravation. Fine-needle aspiration cytology (FNAC) is explicitly included in the policy terms as a valid diagnostic method for thyroid cancer. The timing of confirmed cancer diagnoses and exceptions to pathological diagnosis will be clarified, and pre-contract disclosure requirements for simplified issue insurance will be improved. The claims criteria have been revised to allow coverage for fines confirmed after the policy period, provided that the fire occurred during the coverage period. Universal life insurance policies must clearly state consumer advisories regarding premium payment deferral and partial withdrawals.

• Consumer alert in misleading insurance sales practices [2024. 3. 18]

The FSS has warned against excessive competition and "last-chance" insurance sales tactics. When purchasing coverage for hospital room expenses, consumers should carefully consider whether the medical facility is actually accessible and whether they already have similar coverage through their private health insurance. Low or no surrender value products may not be suitable for savings purposes, as early cancellation often results in little or no refund. When switching insurance policies, it is important to thoroughly compare the terms of the existing and new contracts to ensure the change is genuinely beneficial.

19) Financial Supervisory Services, (2024.1.2); (2024.3.18); (2024.4.1); (2024.4.5); (2024.11.28), Press Release

• Insurance regulation revised to expand consumer choice [2024. 4. 1]

The FSS revised insurance regulations to improve consumer rights and access. Pet shops and animal hospitals can now sell long-term pet insurance, expanding options beyond short-term plans. Routine follow-up tests before contract signing will no longer be classified as "additional tests," reducing unfair cancellations. From July 1, 2024, military personnel will be able to suspend and resume their private health insurance during service to avoid unnecessary premiums.

• Preparing guidelines for fair settlement agreements [2024. 4. 5]

The FSS has issued guidelines to ensure fair settlement agreements between insurance companies and consumers. When disputes arise, insurers must clearly explain the terms and get the consumer's written consent. The agreed payment must be made within 10 days. Internal checks and follow-up procedures are also strengthened to protect consumer rights.

• Strengthening insurance terms for caregiver daily benefits [2024. 11. 28]

Unclear caregiver benefit policies may result in denied or inflated claims so that vague terms will be revised. The definition of "caregiver" will be expanded to include caregivers hired through registered caregiver placement services to prevent disputes and unjustified claim denials. Claim payments will be limited to cases involving actual caregiving services. Insurers may request supporting documentation (e.g., caregiver contracts and logbooks) to verify claims and prevent abuse.

2. Improvement of insurance products and services[20)]

• Asset management reform begins [2024. 4. 5]

The FSC has introduced reforms to strengthen asset management rules. Trusts for insurance claims are now allowed, helping protect the assets of vulnerable beneficiaries. Rules on maturity mismatch in trusts and wrap accounts have been tightened, requiring customer consent and better risk management. Other changes include clearer fee disclosures, ISA diversification rules, and updated guidelines for private funds and land trusts.

20) Financial Supervisory Services, (2024.4.5); (2024.6.27); (2024.10.25); (2024.11.13) Press Release

• **Adding insurance products to the comparison and recommendation platform [2024. 6. 27]**

In June 2024, savings-type insurance was added to the insurance comparison and recommendation platform. A savings-type insurance service was introduced in collaboration with Naver Pay and three life insurance companies. Later, travel insurance and pet insurance were also added to the insurance comparison and recommendation platform. Consumers can easily compare products based on various criteria and receive personalized recommendations.

• **Introducing digital processing for medical expense insurance claims [2024. 10. 25]**

Digital processing for medical expense insurance claims was rolled out. Thanks to progress in negotiations between the insurance industry and Electronic Medical Record (EMR) providers, more than 400 hospitals had expressed their intention to participate since the end of September 2024. As of October 24, 2024, a total of 4,223 medical institutions (including 733 hospitals and 3,490 public health centers) had confirmed participation. 210 hospitals started implementing the digital claims system.

• **Expanding fire insurance access for market merchants [2024. 11. 13]**

Due to high fire risk, many market merchants have struggled to obtain fire insurance, with coverage often denied by insurers. The Ministry of the Interior and Safety and the FSC introduced a co-insurance system where the Korea Fire Insurance Association underwrites high-risk insured properties, and insurers share the risk. Previously limited to special buildings and low-rise apartments, the system now includes traditional markets, shopping districts, and revitalization zones.

3. Korea Insurance Capital Standard (K-ICS)[21)]

• Progress of K-ICS

The FSS and the IFRS 17 preparation committee developed K-ICS alongside IFRS 17 implementation. Starting with K-ICS 1.0[22)] in 2018 and its first impact assessment (QIS 1)[23)], they made continuous revisions such as K-ICS 2.0[24)] (2019), 3.0 (2020), and 4.0 (2021) each followed by further assessments. Legal groundwork for IFRS 17 began in late 2020. The final K-ICS version was released in February 2022, with additional QIS exercises (QIS 4–9), and formal adoption occurred in December 2022[25)]. As of January 1, 2023, IFRS 17 and K-ICS have been fully implemented, changing liability valuation and profit recognition for insurers.

• Announcement of K-ICS versions 1.0 to 4.0[26)]

The development of K-ICS progressed through four major versions to align with IFRS 17 and enhance Korea's insurance solvency system. K-ICS 1.0 introduced a risk-based capital framework reflecting real economic values, aiming to improve capital quality and ensure global consistency. K-ICS 2.0 refined the methodology by requiring annual recalculation of long-term interest rates and improving volatility adjustments. Risk scenarios were enhanced using industry-wide data, and capital classification rules were updated. K-ICS 3.0 revised key components, such as risk margins and contract boundaries, for more accurate liability valuation. K-ICS 4.0 adopted a scenario-based approach for assessing life, long-term non-life, and market risks, replacing the earlier parameter-based method and strengthening risk sensitivity.

21) Financial Supervisory Services, (2022.2.24); (2022.9.13); (2023.5.31); (2024.11.4); (2024.11.7) Press Release
22) Financial Services Commission (2019.4.5)
23) The initials QIS stand for Quantitative Impact Assessment.
24) Financial Services Commission (2019.7.10)
25) Financial Services Commission (2022.12.6)
26) Financial Services Commission (2020.6.22); No.Geonyoup (2019.9.23), Main contents and tasks of K-ICS 2.0, KIRI

Table 28. Comparison of solvency systems

Classification		RBC	K-ICS
Available Capital	Asset Valuation	Fair value and Lock-In (Held-to-maturity securities)	Fair Value
	Liability Valuation	Lock-In (Liability Adequacy Test)	
Rquired 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 Required Capital is more than 100%	

• Announcement of the final version of K-ICS [2022. 2. 24][27)]

On February 24, 2022, the FSS and the IFRS 17 preparation committee announced the final version of the K-ICS framework, along with transitional measures to support a smooth implementation.

The FSS stated that the scope of "available capital" would be expanded. Hybrid and subordinated bonds issued before the adoption of K-ICS would be recognized as available capital. Insurers may also apply the Transitional Measure on Technical Provisions (TMTP), which allows the gradual deduction of increased insurance liabilities—recalculated based on market values—from available capital.

For "required capital," insurers can apply the Transitional Measure on Insurance Risk (TMIR), enabling newly introduced insurance risks under K-ICS to be phased in over ten years. The effects of changes in stock and interest rate risk calculations can also be phased in during the transition.

Additionally, the FSS noted that corrective actions would be deferred if the current RBC ratio exceeds 100%, even when the K-ICS ratio is below 100%, to prevent solvency issues during the transition.

27) Financial Supervisory Services(2022.2.24)

• Amendments of『Regulations on Supervision of Insurance Business』for K-ICS [2022. 9. 13]

The FSS revised the『Regulations on Supervision of Insurance Business』for the implementation of K-ICS in 2023. The amendments seek to improve 'available capital' and 'required capital' announced in the final version of K-ICS in 2022. The K-ICS ratio, which is the percent of available to required capital, is more than 100% in a bid to prevent the occurrence of insolvent insurance companies.

• Establishment of IFRS17 actuarial assumption guidelines for K-ICS [2023. 5. 31]

With the implementation of IFRS17 in 2023, which requires the assessment of insurance liabilities at fair value, insurers must evaluate their Best Estimate Liabilities (BELs) using optimal and unbiased assumptions based on their own empirical statistics, reasonable grounds, and methods. However, due to recent concerns about potential confusion, such as the use of arbitrary actuarial assumptions by insurers during the initial implementation of IFRS17, the FSC and the FSS have established reasonable guidelines for key actuarial assumptions that significantly impact financial statements.

• Enhanced insurance supervision under IFRS 17 [2024. 11. 4][28)]

The FSC and the FSS announced that they will strengthen prudential supervision to ensure the stable implementation of IFRS 17.

K-ICS will be refined to capture better the unique surrender risks of low or no surrender value products. These risks will be assessed separately from standard products, and for cases where surrender increases net assets, a shock assuming lower surrender rates will be applied.

To ensure responsible spending, insurers will be subject to ongoing monitoring of acquisition and business expenses. A reporting system covering actual cash flows—including premiums, claims, and expenses—will be used for continuous oversight.

To enhance transparency and accountability, disclosures on insurance liabilities will shift from company-level to portfolio-level, detailing liability changes and assumptions through public filings and financial reports.

28) Financial Services Commission (2024.11.4)

- **Reasonable actuarial assumptions and a phased adjustment of the discount rate [2024. 11. 7][29)]**

The FSC and the FSS have introduced reforms to improve the actuarial assumptions and liability valuation under IFRS 17.

For low or no-surrender value insurance products, a standard log-linear lapse model has been adopted, assuming lapse rates decline to 0.1% by the end of the payment period. Companies using other models must provide clear justification and disclose financial differences. Short-term premium whole life policies often lead to lapses after bonus payouts, but this was not properly reflected. Insurers are now expected to apply at least a 30% lapse rate at these points based on observed behavior. Loss ratios must now be distinguished by age group when data is sufficient, ensuring more accurate liability and CSM estimates.

Additionally, the discount rate curve will be extended from 20 to 30 years over three years, allowing a smoother transition as part of the IFRS 17 implementation.

29) Financial Services Commission (2024.11.7)

2025 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 insur ance 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

Types of insurance products	Standards for classification
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: KRW billion, persons)

Company	Date of establishment	Paid-in capital	Premiums	Total assets	Number of employees
Hanwha	Sep. 1946	4,343	18,287	122,135	2,790
ABL	Dec. 1954	16	2,669	18,665	759
Samsung	May. 1957	100	24,952	275,321	5,115
Heungkuk	Jan. 1950	80	3,242	23,004	521
Kyobo	Aug. 1958	103	14,549	122,409	3,839
LINA	Apr. 1987	35	3,208	8,866	761
IM Life	Feb. 1988	302	1,058	6,644	214
Mirae Asset	Mar. 1988	991	4,342	32,404	786
KDB	Apr. 1988	498	2,082	17,764	521
DB Life	Apr. 1989	253	2,394	11,129	214
Tong Yang	Apr. 1989	807	4,750	34,578	935
MetLife	Jun. 1989	142	3,976	25,237	652
KB	Jun. 1989	162	4,677	33,717	723
Chubb Life	Jul. 1990	285	162	1,568	70
Shinhan	Jan. 1990	578	6,985	59,615	1,547
Hana	Nov. 1991	300	1,484	6,603	218
AIA	Mar. 1997	603	2,906	18,814	664
BNP Paribas Cadif	Oct. 2002	201	431	2,710	160
Fubon Hyundai	Jul. 2003	1,530	2,620	18,215	471
IBK	Jul. 2010	490	2,240	12,144	205
NongHyup	Mar. 2012	699	6,339	53,254	1,053
Kyobo Life Planet	Sep. 2013	369	87	743	152

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2024.
Source: Financial Supervisory Service, Korea Life Insurance Association

2. Non-life insurance companies

(Unit: KRW billion, persons)

Company	Date of establishment	Paid-in capital	Direct premiums	Total assets	Number of employees
Meritz	Oct. 1922	60.3	15,334	43,358	2,849
Hanwha	Apr. 1946	773.7	6,756	19,753	3,174
Lotte	May. 1946	310.3	6,587	15,484	1,217
MG	Feb. 1947	124.8	1,124	4,310	550
Heungkuk	Mar. 1948	325.8	3,201	12,872	971
Samsung	Jan. 1952	26.5	27,704	85,224	5,556
Hyundai	Mar. 1955	44.7	18,644	47,978	4,067
KB	Jan. 1959	33.3	16,694	40,711	3,012
DB	Mar. 1962	35.4	21,479	52,859	4,622
AIG	Apr. 1968	61.8	611	1,088	252
Seoul Guarantee	Feb. 1969	174.6	2,274	9,303	1,435
ACE American K.B.	Nov. 1999	31.1	654	1,070	336
First American K.B.	Jul. 2001	8.9	13	28	17
AXA	Sep. 2001	250.9	880	1,008	1,720
Mitshui Sumitomo K.B.	Oct. 2002	35.5	24	104	48
Hana	Nov. 2003	561.1	556	1,860	815
Shinhan EZ	July. 2022	106.2	68	290	147
NongHyup	Mar. 2012	1,845.7	4,399	12,153	904
Allianz Global Corporate & Specialty SE, K.B.	Jan. 2017	102.7	21	254	22
Carrot	Jan. 2020	298.7	523	361	378
Kakao pay	Sep. 2021	200.0	36	103	201
Factory Mutual Insurance Co., Ltd. K.B	Jan. 2022	52.1	2	178	22

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2024.
Source: Financial Supervisory Service

3. Reinsurance companies

(Unit: KRW billion, persons)

Company	Date of establishment	Paid-in capital	Assumed R/I Premium	Total assets	Number of employees
Korean Re	Mar. 1963	97.4	7,846	12,927	437
Munich Re K.B.	Nov. 1988	121.7	540	843	50
Swiss Re K.B.	May. 1995	249.4	1,121	1,366	55
Gen Re K.B.	Dec. 1996	17.0	73	171	12
Scor Re K.B.	Apr. 2004	279.3	1,504	1,295	48
RGA Re K.B.	Mar. 2005	52.0	525	344	85
Hannover Re K.B.	May. 2008	32.5	61	76	10
Tokio Marine & Nichido Fire K.B	Dec. 2004	18.0	3	69	7

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2024.
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
IM Life Insurance Co., Ltd.	www.imlifeins.co.kr
Mirae Asset Life Insurance Co., Ltd.	www.miraeassetlife.com
KDB Life Insurance Co., Ltd.	www.kdblife.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
KB Life Insurance Co., Ltd.	www.kblife.co.kr
Chubb life Korea Co. Ltd.	www.chubblife.co.kr
Shinhan Life Insurance Co., Ltd.	www.shinhanlife.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
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.	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
AIG, Inc.	www.aig.co.kr
Seoul Guarantee Insurance Co., Ltd.	www.sgic.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
Mitshui Sumitomo Insurance Co., Ltd. K.B.	www.ms-ins.co.kr
Hana Insurance Co., Ltd.	www.educar.co.kr
Shinhan EZ General Insurance	www.shinhanez.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
Kakao Pay Insurance	www.kakaopayinscorp.co.kr
Factory Mutual Insurance Co., Ltd. K.B.	www.fm.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
Tokio Marine & Nichido Fire Insurance Co., Ltd. K.B.	www.tokiomarine.seoul.kr

4. Related organizations

Organization	Homepage
Ministry of Economy and Finance	www.moef.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