



International Information Exchange

Country : Korea

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KOREA FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	100,188 km ²		Ministry of Land, Infrastructure and Transport (2012)
Climate/Weather	Seoul	Average Yearly Temp.: 12.2 °C Annual Rainfall: 2,044 mm	Statistics Bureau (2010)
Population	47,991 (Thousand)		Statistics Bureau (2010)
Young Population (0-14)	7,787 (Thousand, 16.2%)		
Productive Population (15-64)	34,779 (Thousand, 72.5%)		
Elderly Population (Over 65)	5,425 (Thousand, 11.3%)		
# of Households and Ave.ppl/h.h	17,574 (Thousand) / 2.76 ppl		Statistics Bureau (2010)
Average Life Expectancy	Male: 78.0 / Female: 84.6		Statistics Bureau (2012)
Total Fertility Rate	1.30		Statistics Bureau (2012)
GDP (Nominal GDP)	1,224 (USD Billion)		Bank of Korea (2012)
GDP per Capita	24.5 (USD Thousand)		Bank of Korea (2012)
Social Security Program	National Pension, Health Care, Employment Insurance, Industrial Accident Insurance		
Remarks			

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2012 LIFE INSURANCE INDUSTRY FAST FACTS

Type	(Thousand Policies, US\$ Million)		(Policies, US\$)	
	New Business	Policy In-Force	Average Policy per Person	
	# of Policies	S	# of Policies	S
Individual	13,700	342,106	73,895	1,838,627
Indiv. Annuity	1,933	69,849	10,255	308,787
Group	3,312	27,975	4,129	46,973

Criteria	Data/Stats	
# of Life Insurers	24	
Net Premium Income	103,788	
Payment of Insurance Claim	50,937	
Total Assets	512,904	
Main Products	Whole Life, Medical, Term, Saving, Cancer	
Distribution Channel	Tied-Agents	156,037 people
	Agencies	Corporate 3,242 entities
		Individual 4,451 entities
	Bancassurance	M/S of 55.4% (first premiums)

*Calculated based on the exchange rate of Kor Won1,111.=US\$1 (2013.3.29TTM).

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Challenges of Korea's Life Insurance Industry

❑ Responding to Aging Society

We are striving to stabilize people's lives after retirement and prepare for the homo-hundred era. To that end, we are currently focused on: 1) promoting private pension services, 2) alleviating conditions for the elderly to buy insurance, and 3) providing more products specified for seniors.

❑ Responding to the Reinforced Regulations for Financial Soundness

Due to the toughened financial regulations at home and abroad, the asset management environment of the life insurers is expected to be aggravated. Therefore, efforts are being made to enhance life insurance businesses' capability to improve financial structure, and identify areas to be deregulated by the financial authorities.

❑ Building the Foundations for Sustainable Growth through Reasonable Risk Management

The prolonged trend of low interest rate and low growth is likely to have bad influence on profitability and integrity of insurance companies. Against this backdrop, life insurance firms are seeking opportunities to advance into overseas markets and pioneer into new businesses in order to secure the basis for sustainable development.

❑ Responding to Changing Paradigm of Consumer Protection

We are joining hands together to reduce consumer complaints. Also, by increasing consumers' understanding in finance through insurance education, we are doing our utmost to prevent damage to our consumers in advance.

❑ Online insurance sales set to expand further

Many life insurers in Korea are now introducing online products and brands. It is assessed to have increased the pie for online-oriented life products.

❑ Responding to Insurance Crimes

It is estimated that the insurance fraud amounted to KRW 3.4105 trillion as of FY2010. To eradicate insurance scams, we are strengthening public-private coordination and promoting education about the seriousness of the insurance crimes. In addition, with the revision of the Insurance Business Act, sanctions can be applied to those who are engaged in insurance-related businesses against their acts of insurance crimes starting from June, 2014.