

TOP LIFE INSURANCE
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NEWS STORIES OF 2025
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Indonesia



1. Implementation of Several Regulations in 2026

By the end of 2026, conventional and sharia insurance companies are required to have minimum capital of IDR 250 billion and IDR 100 billion, respectively. Furthermore, conventional insurance companies must have completed the separation of their sharia business units into separate entities. These two new regulations are expected to make insurance companies more competitive and resilient to various economic shocks.

2. Financial Process Adjustments Due to New Accounting Standards

The implementation of IFRS 17 (PSAK 117) drives fundamental changes in accounting and financial reporting processes. Revenue and profit recognition is no longer based on premium flows, but rather on long-term contracts and risks. Consequently, the book-closing process has become more complex, requiring intensive coordination between the actuarial, finance, and information technology functions.

3. Industry revenue continues to grow

During January-September 2025, the life insurance industry's revenue reached IDR 174.2 trillion, a 3.2 percent increase from the previous year. This increase was supported, among other things, by strong investment returns (25.5 percent year-on-year) in line with positive capital market performance during the third quarter of 2025.

Indonesia Life Insurance Association

Korea



1. Introduction of Life Insurance Death Benefit Monetization in Korea

Korea has introduced a policy framework that allows policyholders to convert whole life insurance death benefits into income during their lifetime. Traditionally, death benefits in Korea were payable only upon death, which limited their usefulness in an aging society. As life expectancy increases, many policyholders prefer to use insurance assets to cover living expenses, medical costs, and long-term care rather than leaving them unused until death.

This option expands the role of whole life insurance from post-death protection to a source of living income, reflecting a policy shift aimed at improving asset utilization and retirement income security for older generations.

2. Expansion of Digital Medical Insurance Claims Processing

Korea has been gradually expanding digital medical insurance claims processing through the “Silson24” platform. Private health insurance that reimburses actual out-of-pocket medical expenses is widely held by the majority of the population and represents one of the most common forms of personal insurance coverage in Korea.

This initiative is a government-led, legally mandated policy designed to improve public convenience and consumer protection. The new system enables electronic submission of claims and real-time status tracking through digital integration between insurers and healthcare providers.

In 2025, the second phase of implementation extended participation to clinics and pharmacies nationwide. As a result, the need for paper documents and in-person hospital visits is gradually being reduced, as the system continues to expand and improve the efficiency and accessibility of the claims process.

3. Korea’s Comprehensive Insurance Sector Reform Framework

Korea has been advancing a comprehensive reform framework covering the entire insurance sector, with the objective of restoring public trust and achieving long-term, sustainable innovation. The reform is structured around five core strategies.

- 1) Customer-centric reform: Redesigning the entire insurance process from sales and disclosure to claims and payment from the customer's perspective.
- 2) Product innovation: Shifting from a narrow focus on death and disease coverage toward insurance solutions that support retirement and life-cycle needs.
- 3) Sales channel accountability: Reforming commission structures to discourage unnecessary policy replacement and promote responsible sales by insurers and general agencies.
- 4) Management and governance reform: Strengthening long-term management discipline under IFRS 17 by reducing short-term performance incentives and enhancing sustainable business practices.
- 5) Future readiness: Proactively restructuring the insurance sector to respond to demographic aging, technological change, and climate-related risks, while reinforcing risk management capabilities.

Korea Life Insurance Association

Philippines



1. Relief from regulatory risk of Variable Unit-Linked (VUL) product being classified as a Collective Investment Scheme (“CIS”)

Premiums from the VUL product contribute over 60% of the industry’s total annual premium. A proposal in Congress called the PIFITA-GROWTH (Passive Income and Financial Intermediary Taxation Act- Government Revenues Optimization through Wealth Tax Harmonization) Bill, intended to classify VUL as a CIS and impose a Documentary Stamp Tax (“DST”) of 0.5% of the face amount on it, amending the prevailing maximum PHP200 DST cap for a life insurance policy having a face amount of PHP1 million and above.

This would have resulted to a significant impact to pricing cost which would eventually be passed on to the customer.

Fortunately, the Department of Finance withdrew the proposed bill on 30 April 2025, saying that there was no need to impose additional taxes at the time considering the favourable financial position of the country. This came as a welcome relief to the industry.

2. PLIA celebrates Diamond 75th Anniversary

The Philippine Life Insurance Association (“PLIA”), as the umbrella organization of all life insurance companies operating in the country, toasted to being in the service of the Filipino people for 75 years providing products and services that help secure their financial future.

The industry relived the highlights of the past years in terms of regulatory environment progression as well as the societal contributions it had made to policyholders, government and the public at large. Personalities who played valuable roles in attaining milestone achievements for the industry in its 75-year journey were accordingly featured and honored.

The celebration had Bangko Sentral (Central Bank) Deputy Governor for Regional Operations and Advocacy Sector, Bernadette Romulo-Puyat, as guest of honor and speaker.

3. Paper on fiscal incentives to help reduce protection gap

Financed by Manulife, Sun Life and Pru Life UK, an industry-commissioned study was undertaken with the PwC as consulting partner. This paper aims to identify fiscal incentives that may help improve acquisition of life and health insurance coverage, thereby, contribute to lifting financial inclusion and the reduction of the protection gap.

The paper is in its final stages of approval and the result of the study will soon be promoted with the various stakeholders comprising of regulators, policymakers and legislators.

Philippine Life Insurance Association (PLIA)

Taiwan



1. Cross-industry integration of Insurance Claim Adjust Blockchain and building a digital trust ecosystem

The Life Insurance Association (LIA) teams up with the Insurance Brokerage Association to launch a pilot project of “Claim Adjust Blockchain and Digital Identity Verification” on June 30, 2025. The pilot project incorporates block chain, FIDO verification and digital signature technologies with six insurance companies and five insurance brokerage firms participating in the first round. It aims to achieve one-stop digital claims service featuring “one application to multiple insurers.”

Because of the project’s endeavor in strengthening digital identity security and cross-industry data governance, it has been successfully selected as a field trial item under the “Digital Trust Promotion Plan” of the Ministry of Digital Affairs (moda), signifying that the digital transformation efforts of the insurance sector have gained trust and recognition.

This project effectively breaks down the data barrier between insurance companies and broker channels, expands the touchpoints of insurance claim adjust services, and greatly improves work efficiency. It materializes the core value of “inclusive finance”, and with government’s policy support, builds a more transparent, secure and resilient digital trust ecosystem for Taiwan’s insurance sector.

2. The Amendment of the Insurance Act Exempting Injury and Health Insurance Policies from Compulsory Enforcement, and the Introduction of Intervention Rights

The Insurance Act amended on June 18, 2025 stipulated that the personal injury and health insurance contracts shall be exempted from compulsory enforcement, and introduced new regulations use which specifying that when the surrender value claim arising from a life insurance contract or an annuity insurance contract is subject to compulsory enforcement, or where the policyholder of such a contract is declared bankruptcy, or ordered by court to undergo consumer debt clearance process, a legally qualified third party may exercise the right of intervention to request change of the policyholder so as to extend the validity of the insurance contract.

In conjunction with the aforementioned amendment, the competent authority instructed the LIA to formulate supporting measures for the exercise of intervention right. After consulting with member companies, the LIA drafted the “Reference Template for Explanations of Rights Relating to the Exercise of Intervention Right”, applicable methods and related supporting measures for new and existing insurance contracts separately for the stakeholders’ reference in case their policies suffering compulsory enforcement. The relevant documents had been submitted to the competent authority by procedure and later obtained authority’s approval.

3. Taiwan’s insurance companies will formally adopt IFRS 17 and implement the new generation solvency system (TIS) in 2026

The Financial Supervisory Commission (FSC) announced in 2020 that Taiwan’s insurance industry will adopt International Financial Reporting Standard (IFRS) 17 and implement the new generation solvency system (TIS) in 2026 and has since introduced relevant measures to ensure smooth transition to the new systems.

Take the example of IFRS 17 adoption, the FSC has set up an IFRS adoption platform for insurance industry to assist in solving practical problems faced by insurance companies and understand better the progress of individual insurers. The FSC also requires insurance companies to undergo fair valuation of insurance liabilities to assess whether reserves set aside are adequate. In addition, to strengthen the financial stability of life insurers in response to the possible impact brought about by IFRS adoption, the FSC requires insurers to set aside various reserves or special reserves for value increments or earnings, and synchronously amends the Regulations Governing the Provision of Various Reserves by Insurance Enterprises and the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises to align with the new accounting and capital requirements.

On the solvency issue, in light that the asset/liability valuation methods and the methods for calculating adjusted net capital and risk-based capital under the new solvency system differ significantly from those under the existing risk-based capital (RBC) system, the FSC has successively announced localization measures and transitional arrangements to mitigate the impact of the new regulatory regimes. For example, the FSC adjusts equity and real estate risk coefficient to 35% and 15%

respectively, allows parallel addition of 50 bps of liquidity premium over the entire term of high-interest rate policies, and allows after-tax effects of market valuation adjustment difference between insurance liabilities and corresponding assets estimated based on present value to be included in the calculation of net adjusted capital. Those practices are more in line with Taiwan's insurance market conditions. For emerging risks such as longevity risk, lapse risk, expense risk and non-default spread risk, a 15-year linear increment adjustment mechanism is designed to enable insurers to transform in an orderly manner without facing drastic impact.

The Life Insurance Association of the Republic of China

Vietnam



1. Major regulatory overhaul affecting life insurance products (from July 1, 2025)

Starting July 1st, 2025, new regulations under Decree 46/2023 and Circular 67/2023 changed how life insurance products are structured - especially investment-linked insurance.

These products must now include only death and total permanent disability benefits in the main contract, while other benefits (e.g., critical illness, accident, hospital costs) must be sold as separate add-ons (riders). This resulted in many insurers withdrawing or redesigning products to comply. This is one of the most impactful reforms of the year. It aims to boost transparency, reduce mis selling, and protect consumers - addressing long-standing concerns about product complexity and confusion. It fundamentally reshaped product portfolios across the market in 2025.

2. Life insurance market performance: signs of recovery vs. contraction dynamics

During 2025, the life insurance sector showed mixed performance signals. The market shows positive growth in the first half of 2025, with rising total premiums (around 2%), total policy, assets, and benefit payouts — marking a turnaround after previous decline.

However, market research forecasts still projected a third consecutive year of contraction in gross written premiums (-2 %) for 2025, continuing a multi-year slump tied to consumer trust issues. These contrasting indicators show that 2025 was a transitional year — the industry was attempting stabilization after prior declines, even as overall premium volume pressures persisted. This layering highlights the complex recovery process.

3. Participation of new players in Vietnam life insurance market

In 2025, the Vietnamese life insurance market sees the entry of new players.

Techcombank (TCB), a Vietnamese commercial bank, has established of a new life insurance company named for the establishment of Techcombank Life Insurance Joint Stock Company (Techcom Life). Techcom Life has charter capital of VND 1,300 billion (about USD 50 million, in which Techcombank owns 80% shares). Its business

activities include life insurance and health insurance, reinsurance, reinsurance cession, and other activities as stipulated by law.

Manulife Financial Corporation, through its subsidiary The Manufacturers Life Insurance Company signed an agreement to transfer MVI Life to Asahi Mutual Life Insurance Company (Asahi Life). MVI Life, formerly Aviva Vietnam, was acquired by Manulife Group in 2021 and operates as an independent life insurance business, separate from Manulife Vietnam. In 2024, the unit recorded premium revenue of approximately US\$93 million and total net assets of approximately US\$134 million (as of the end of 2024).

Insurance Association of Vietnam (IAV)

Japan



1. Implementation of Economic Solvency Ratio

New capital regulations will be implemented for Japanese life insurance companies starting at the end of March 2026. The Economic Solvency Ratio (ESR) is an indicator for assessing the company's financial strength. It evaluates the company's assets and liabilities based on economic value, measures the amount of risk (required capital), and then assesses the company's financial strength based on the ratio of capital (qualifying capital resources) to this risk amount.

The primary purposes of implementing these new regulations are to protect policyholders, enhance risk management within insurance companies, and provide information to consumers and market participants.

2. Promoting In-House Development of Business Processes Through Generative AI Utilization

Within L Life Insurance, the adoption of generative AI is rapidly spreading. Employees utilize both the company's proprietary internal LLM and Google's "Gemini" to handle tasks has become a common sight, with current generative AI usage rates among employees reaching 90%. To dedicate the time saved through AI-driven efficiency gains to the core task of understanding customers, the company is working to bring parts of its operations, based on generative AI, in-house.

With the declining working-age population due to Japan's aging and low birthrate, competition in the life insurance industry will intensify further.

In-house development achieved by generative AI is seen as an advantage, also serving to cover for human resource limitations.

3. Building the Sustainable Business Models

Major life insurance companies are strengthening their non-insurance businesses alongside traditional insurance operations, reflecting medium-to-long-term demographic shifts and diversifying customer needs.

Historically, expansion into non-insurance areas primarily involved acquisitions and partnerships with businesses in adjacent fields such as nursing care and healthcare,

aiming for synergies with insurance operations. Recently, however, there has been a trend toward acquisitions and partnerships with employee benefits providers and retailers, driven by the goal of revenue diversification.

Furthermore, considering risks such as the shrinking domestic life insurance market due to population decline, companies are promoting overseas operations to expand their revenue base, diversify revenue sources, and spread risk. There is a particular tendency to pursue new market entry and business expansion in stable insurance markets like the United States, which offers both scale and profitability.

Oriental Life Insurance Cultural Development Center