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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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2013 LIFE INSURANCE INDUSTRY FAST FACTS

Type	(Thousand Policies, US\$ Million)		(Policies, US\$)		(Policies, US\$)	
	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	10,813	327,527	74,751	2,125,864	1.5	38,312
Indiv. Annuity	1,379	49,865	10,861	351,140	0.2	6,434
Group	4,077	37,144	4,829	53,608	0.1	979

*Figures for FY2013 cover only nine months from April 2013 to December 2013.

Criteria	Data/Stats
# of Life Insurers	24
Net Premium Income	73,876
Payment of Insurance Claim	40,096
Total Assets	571,751
Main Products	Whole Life, Medical, Term, Saving, Cancer
Distribution Channel	Tied-Agents
	Agencies
	Bancassurance
	144,792 people Corporate 3,251 entities Individual 3,616 entities M/S of 55.4% (first premiums)

*Calculated based on the exchange rate of Kor Won1,045.=US\$1 (2013.12.31TTM).

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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.

❑ 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.