

## SOCIAL TRUST AND INSURANCE

Trust is defined as a person's expectation that another person or institution in the community will act consistently with shared norms, honestly, cooperatively and on the basis of goodwill and thus won't cause damage him. In this study, social trust level was examined using WVS data and domestic survey data. According to the 2017-2020 WVS data, social trust level of Korea was in the middle of 16 countries (Korea, USA, Germany, Japan, Australia, Mexico, Turkey, Chile, Colombia, Greece, New Zealand, Argentina, Brazil, Indonesia, Russia, China). The levels of different type of trust were ranked 7th-10th out of compared countries. General trust was ranked 7th, trust in acquaintance was 8th, trust in strangers was 10th and institutional trust is 7th.

The analysis of a domestic survey conducted in 2020 showed the relationships among social trust, trust in insurance and insurance consumer behavior. Social trust was positively related with trust in insurance. Whereas the level of trust in insurance was higher than social trust level, it was relatively lower within the financial sector. In general, social trust and trust in insurance were both positively related to insurance ownership, the number of insurance and the adequacy of insurance consumer behavior. This result showed that trust would have positive effect on the demand for insurance. Trust has economic, individual and social values. Therefore, insurance companies are required to make efforts to improve the levels of social trust as well as trust in insurance from the perspective of that 'trust is investment goods and public goods'. To improve the level of social trust, the approach would be effective considering the types of trust and that the level of trust continuously changes with changes in social, economic, cultural and legal environments.