KOREAN INSURANCE INDUSTRY

2026

Korea Insurance Research Institute

Foreword

In 2025, despite ongoing challenges such as escalating trade tensions and growing uncertainty in global economic policy, the global economy recorded a better-than-expected growth rate of 3.4%, driven by increased investment in AI and expansionary fiscal policies in major economies.

The Korean economy showed signs of an overall slowdown as export growth decelerated and the recovery of domestic demand was delayed, resulting in a GDP growth rate of 1.1% in 2025. The Bank of Korea (BOK) cut its base rate twice, in February and May, bringing it down to 2.50%. In the second half of the year, however, exports rebounded strongly, driven primarily by semiconductors, and the BOK held its base rate steady as the recovery gained traction. This upward trend in exports is expected to continue, backed by the broadening recovery in the semiconductor industry and favorable global economic conditions.

In 2025, premium income in the Korean insurance industry grew strongly, rising 11.1% year-on-year. Premium income in the life insurance industry increased by 12.4%, led by the continued expansion of protection-type insurance and a sharp rebound in group insurance including pension plans, while premium income in the non-life insurance industry increased by 10.0%, driven mainly by pension plans and long-term insurance. Since the adoption of IFRS 17, insurers' focus on protection-type products has continued to increase, reinforcing a broader shift toward profitability, capital management, and the quality of growth rather than expansion in scale alone.

Population aging, climate change, and digital innovation continue to broaden the scope and nature of risks the insurance industry must manage. As interest rate volatility has heightened the importance of asset-liability management, 2025 saw regulatory measures to strengthen the soundness of long-term liabilities, including the extension of the ultimate observable maturity and the introduction of duration gap regulation. At the same time, the reform of indemnity health insurance and the rationalization of auto insurance riders sought to realign product structures more closely with consumers' actual needs.

In parallel, the institutional foundation for consumer protection was also strengthened through enhanced oversight of general agencies and expanded insurer responsibility for managing sales-channel risk. Growth and consumer trust are not competing objectives but complementary elements of sustainable growth. Maintaining this balance will continue to shape the long-term competitiveness of the Korean insurance industry.

'Korean Insurance Industry 2026' is intended to provide comprehensive information on recent developments in the Korean insurance industry against the backdrop of the global and domestic economic and financial environment in 2025. We hope that this publication will help readers deepen their understanding of the industry.

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

Hunsoo Kim

President

Korea Insurance Research Institute

KOREAN
INSURANCE
INDUSTRY

2026

CONTENTS

Economic trends

Global economy

In 2025, global economic growth was 3.4%, continuing a flat trend since 2023. While the global economy has generally maintained its resilience overall, growth momentum has weakened. Difficult conditions continue as trade tensions rise and global economic policy uncertainty increases.

Advanced economies recorded an economic growth rate of 1.9%, a slight increase from 2024. Among them, the United States saw its growth rate decline from 2.8% in 2024 to 2.1% in 2025. In contrast, the euro area[1] and Japan saw year-on-year increases, with growth rates of 1.4% and 1.2%, respectively. Emerging regions recorded a growth rate of 4.4%, a 0.1%p decrease from the previous year, while China's economic growth rate remained unchanged at 5.0% compared to the previous year.

Table 1. Global real GDP growth

(Unit: %, YoY)

Classification	2021	2022	2023	2024	2025
World	6.7	3.8	3.3	3.4	3.4
Advanced	6.1	3.1	1.7	1.8	1.9
Emerging	7.0	4.3	4.4	4.5	4.4
United States	6.2	2.5	2.9	2.8	2.1
Euro area	6.4	3.6	0.4	0.9	1.4
Japan	3.6	1.3	0.7	-0.2	1.2
China	8.6	3.1	5.4	5.0	5.0

Source: IMF

1) The Euro area consists of 20 countries: Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain.

National accounts

The Korean economy faced an overall slowdown in 2025. Amid mounting uncertainties in global trade, export growth which had previously driven economic growth slackened and the recovery of domestic demand was also delayed. GDP growth in 2025 was 1.1%, a 1.1%p decline from 2.2% in 2024.

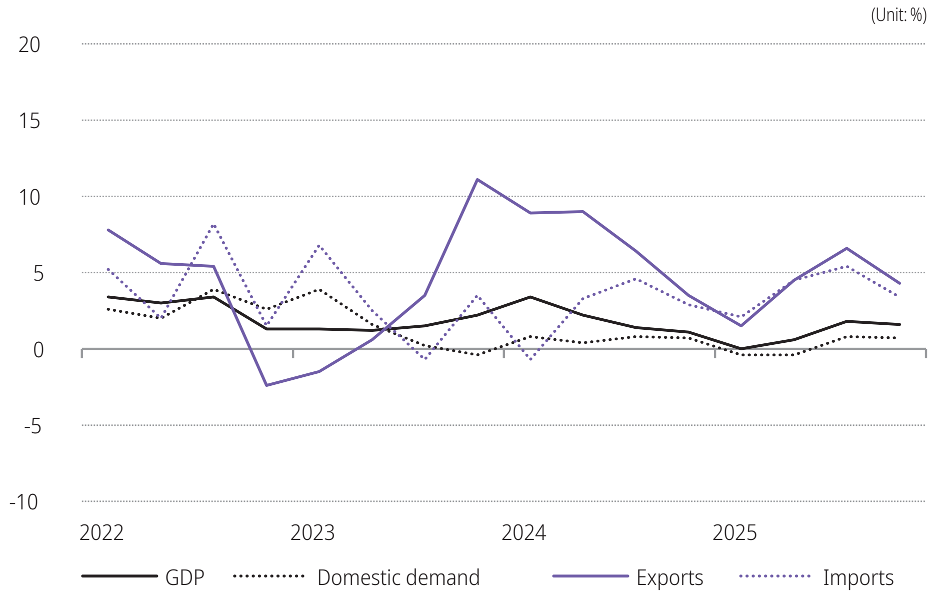
In 2025, private consumption improved significantly due to favorable consumer sentiment and government measures to stimulate consumption, rising to 1.5%, a 0.2%p increase from the previous year. Following a high year-on-year growth rate of 2.0% in the third quarter, the trend continued into the fourth quarter, also recording a year-on-year growth rate of 2.4%.

Construction investment contracted by 9.7% in 2025, as new orders shrank due to an accumulation of unsold properties in provincial areas and high construction costs. Equipment investment recorded solid growth of 1.5%, driven by a significant increase in semiconductor companies' investment, despite continued sluggish investment in non-IT sectors such as construction.

Exports growth slowed by 3.3%p to 4.3%, but they still maintained their upward trend. The IT sector saw a sharp acceleration in growth, driven by increased demand for high-value-added AI products and a significant rise in prices for general-purpose memory semiconductors. However, the non-IT sector continued to perform poorly.

Imports continued to expand in 2025, supported by a recovery in domestic demand and increased investment. The year-on-year growth rate rose from 1.6% in the first quarter to 3.4% in the second quarter and 4.5% in the third quarter, before remaining elevated at 3.9% in the fourth quarter. The annual growth rate eased to 3.3% in 2025, 0.5 percentage points lower than in 2024.

Figure 1. Economic growth trends



Note: Domestic demand excludes inventories.
Source: Bank of Korea(2026.5.)

Table 2. GDP by expenditure

(Unit: %, YoY)

Classification	2024	2025				
		year	Q1	Q2	Q3	Q4
GDP	2.2	1.1	0.2 (-7.6)	0.7 (4.5)	2.1 (1.6)	1.6 (3.5)
Private consumption	1.3	1.5	0.5	1.0	2.0	2.4
Fixed investment	-0.1	-3.4	-3.5	-4.2	-2.4	-3.3
Construction investment	-2.0	-9.7	-12.7	-11.3	-7.9	-7.2
Equipment investment	1.0	1.5	4.7	2.7	0.7	-1.9
Intellectual property products investment	2.4	3.0	2.2	3.3	4.2	2.3
Exports	7.6	4.3	1.5	4.3	6.8	4.6
Imports	3.8	3.3	1.6	3.4	4.5	3.9

Note: Figures in ( ) refer to quarter-on-quarter growth rates.
Source: Bank of Korea(2026.6.)

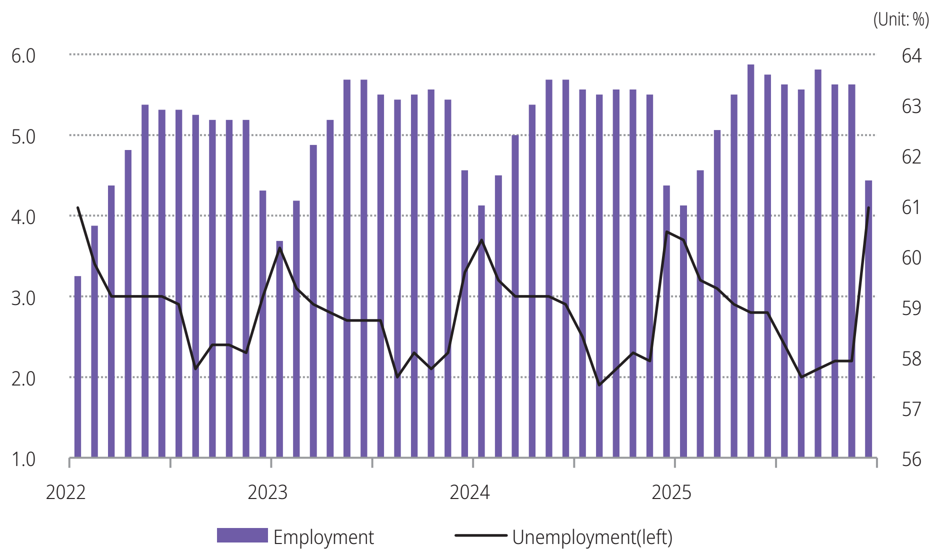
Employment

The employment rate in 2025 stood at 62.9%, remaining at a level similar to the previous year; however, as the manufacturing sector continued to decline and the construction sector's slump deepened, the employment rate in December 2025 fell by 1.9 percentage points from the previous month to 61.5%. The unemployment rate remained low, averaging 2.8%, but rose to 4.1% in December, up 1.9 percentage points from the previous month.

The total number of employed people in 2025 was 28.8 million, an increase of 193 thousand compared to 28.6 million in 2024.

By sector, manufacturing continued to decline, and the construction sector's slump deepened, while the service sector continued to grow, led by health and welfare, and administration.

Figure 2. Employment and unemployment rates



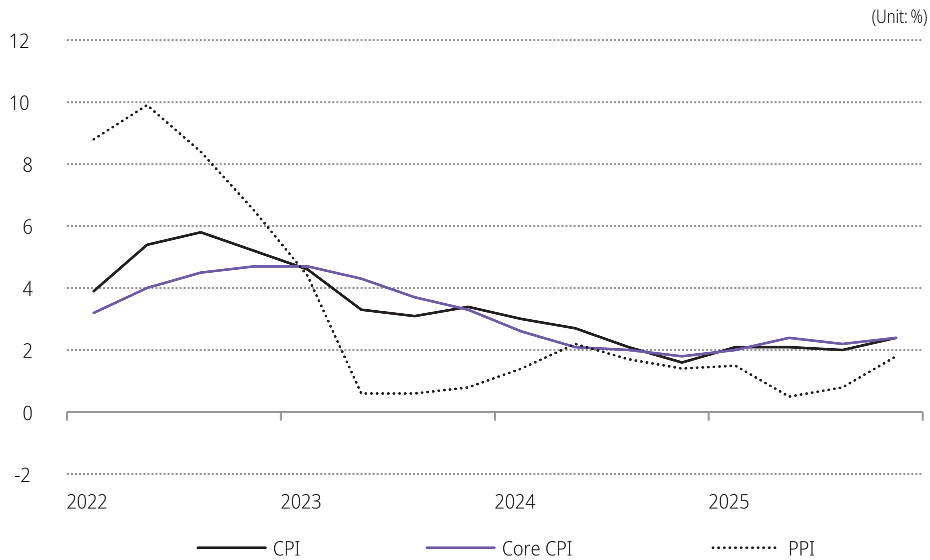
Source: Statistics Korea

Inflation

In 2025, the consumer price inflation rate remained stable around the 2% inflation target but rose modestly to 2.4% in the fourth quarter. This was due to a widening increase in prices for petroleum products and agricultural, livestock, and fishery products, as well as a larger rise in service prices driven by a temporary surge in travel demand.

The Core CPI[2)] rose by 0.2%p from the previous quarter to 2.0% in the first quarter of 2025 and has since fluctuated in the low to mid-2% range. PPI fell from 1.5% in the first quarter of 2025 to 0.5% in the second quarter, then rose gradually, reaching 0.8% in the third quarter of 2025 and 1.8% in the fourth quarter.

Figure 3. Inflation by CPI and PPI



Source: Statistics Korea; Bank of Korea(2026.5.)

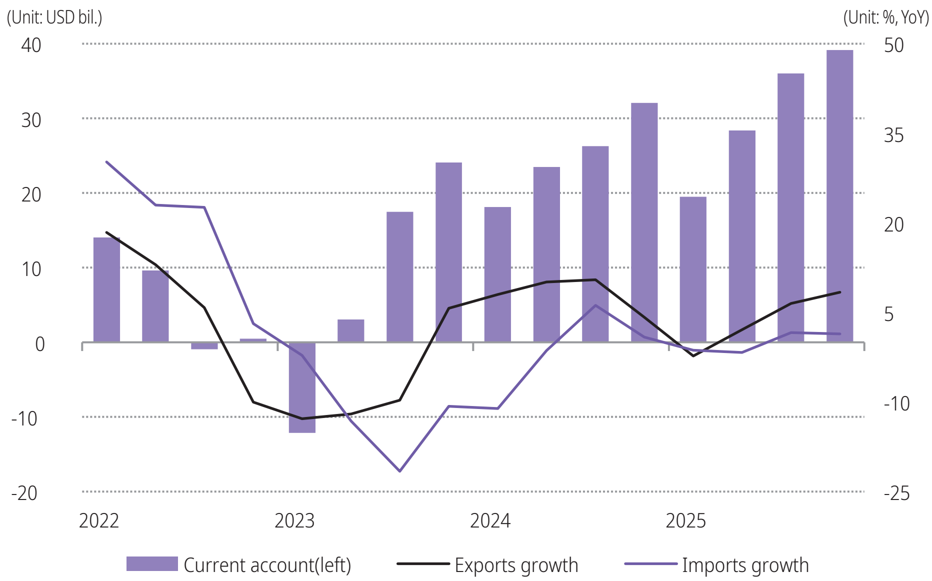
2) Core CPI measures the changes in prices, excluding agricultural products and petroleum.

Current account balance[3)]

The current account balance reached USD 123.1 billion in 2025, a significant increase of USD 23.1 billion from USD 100.0 billion in 2024, mainly driven by an expansion in the goods account. The goods account stood at USD 138.1 billion, up USD 27.1 billion year-on-year, while the services account balance fell to -USD 34.5 billion.

Exports (customs-cleared basis) in 2025 showed strong performance in the second half of the year, led by semiconductors. Following a 6.5% year-on-year increase in the third quarter, exports grew by 8.4% year-on-year in the fourth quarter, with the growth rate accelerating due to a sharp rise in semiconductor prices. Imports (customs-cleared basis) shifted to growth in the second half of the year, driven primarily by capital goods and consumer goods.

Figure 4. Current account balance



Source: Bank of Korea(2026.5.)

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 definition.

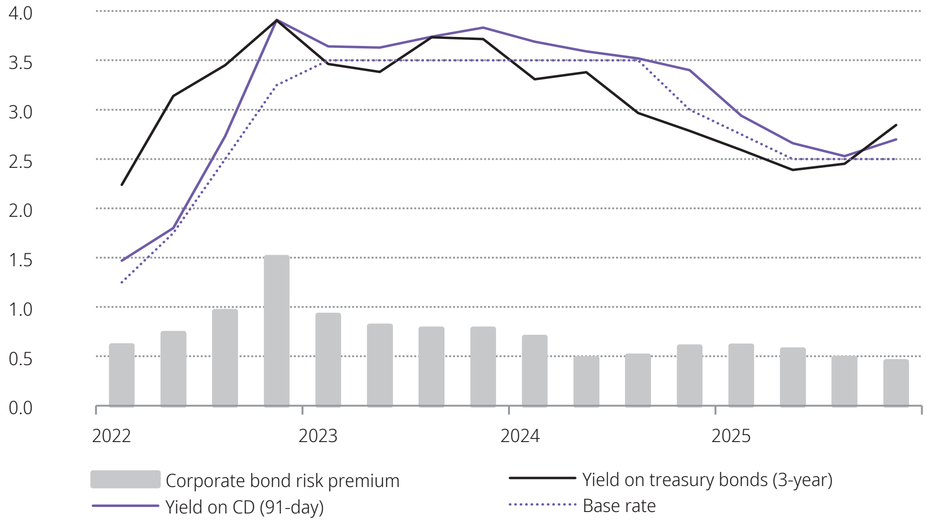
Interest rates

The Bank of Korea (BOK) maintained its base rate at 3.00% from November 2024 until February 2025, when it cut the rate by 25 basis points to 2.75%. In May, the BOK implemented an additional 25-basis-point cut, lowering the rate to 2.50%. As inflation stabilized and downward pressure on growth intensified, the BOK continued its rate-cutting stance through May. Starting in July, with inflation remaining stable and growth continuing to improve, the BOK maintained its base rate at 2.50%.

The 3-year Treasury bond yield increased from 2.45% in the third quarter to 2.84% in the fourth quarter, as expectations for monetary easing diminished due to the strengthening economic recovery. The 91-day CD yield edged down in the second quarter to 2.39%, but subsequently climbed to 2.84% by the fourth quarter. Risk premiums on corporate bonds[4)] continued to decline, falling from 0.61% in the first quarter to 0.45% in the fourth quarter.

Figure 5. Interest rates

(Unit: %)



Source: Bank of Korea(2026.5.)

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.

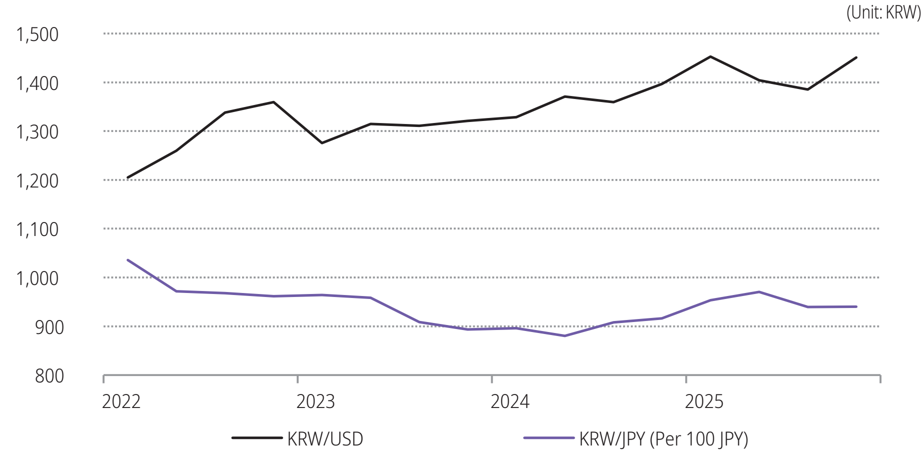
Exchange rates

The average KRW/USD exchange rate increased from KRW 1,363 in 2024 to KRW 1,423 in 2025 as the US dollar strengthened.

The KRW/USD exchange rate rose sharply to KRW 1,453 in the first quarter of 2025. Although it fell slightly in the third quarter, it began to rise again in the fourth quarter, reaching KRW 1,451. This appears to have been influenced by factors such as uncertainty surrounding US-Korea trade negotiations, the weakening of the JPY, and large-scale net selling of domestic stocks by foreign investors since October. However, by year-end, the rate fell to the KRW 1,430 range due to measures aimed at stabilizing foreign exchange supply and demand.

The average KRW/JPY exchange rate in 2025 was KRW 951 per JPY 100. The upward trend, which began in the third quarter of 2024, continued steadily, reaching KRW 971 in the second quarter of 2025. This appears to have been influenced by expectations that the Bank of Japan would continue raising interest rates. Starting in the third quarter, the JPY weakened, and the exchange rate remained in the KRW 940 range.

Figure 6. Foreign exchange rates



Source: Bank of Korea(2026.5.)

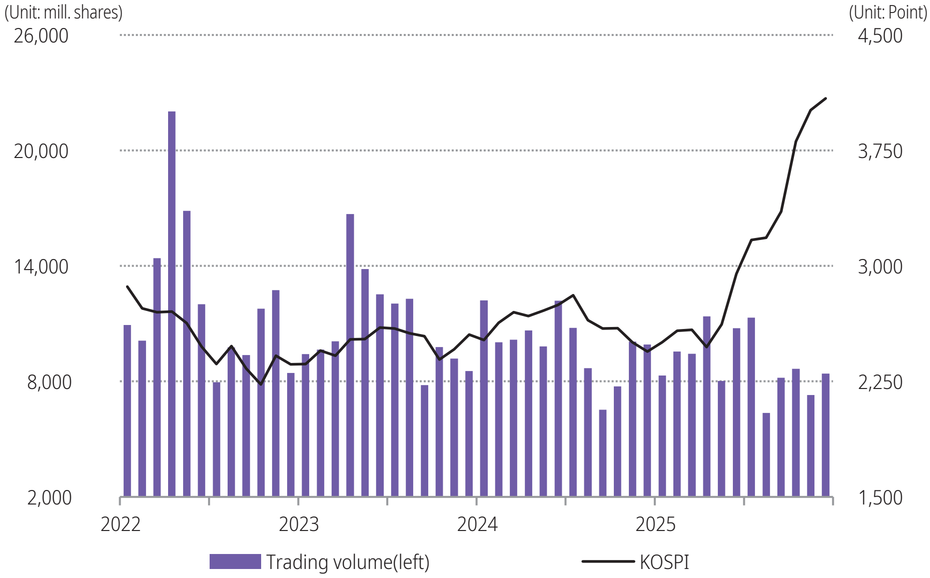
Stock price

In 2025, the Korea Composite Stock Price Index (KOSPI), one of South Korea's benchmark stock indices, averaged 3,110 points.

Since September 2025, it has shown a steep upward trend driven by strong semiconductor demand resulting from global AI investments and the government's efforts to improve capital market regulations.

Amid growing expectations of improved earnings at semiconductor companies, stocks in other sectors (including defense, nuclear power, and finance) also advanced, helping sustain the market's strong upward momentum. In November, the index surpassed 4,000 points, reaching 4,012 points, and in December, it recorded 4,088 points.

Figure 7. KOSPI and trading volume



Source: Korea Exchange

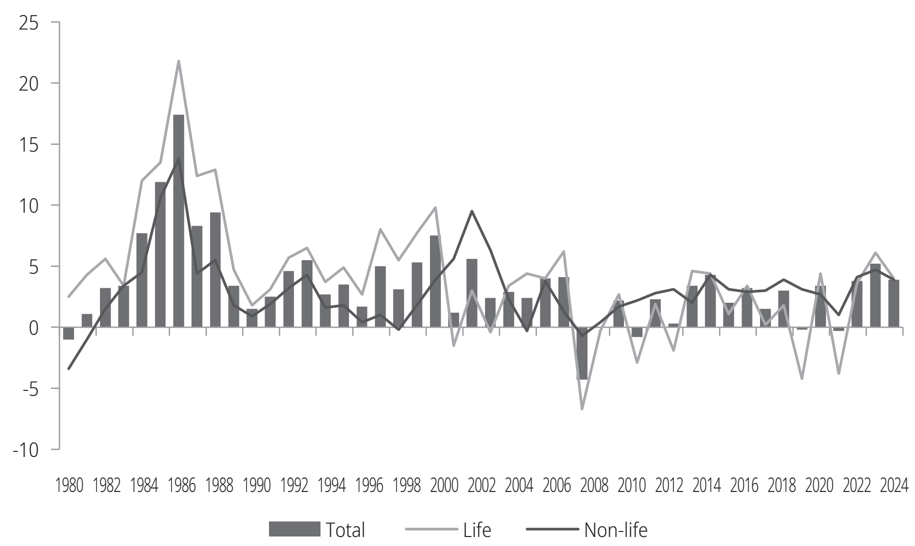
Insurance market environment

Overview

In 2025, total global insurance premiums amounted to USD 8.5 trillion, while the industry's real premium growth decreased to 3.9% from 5.9% in 2024. Growth was supported by robust demand for savings products in a higher-yield environment and continued firm pricing in non-life personal lines.

Figure 8. Global real premium growth rate since 1980

(Unit: %)

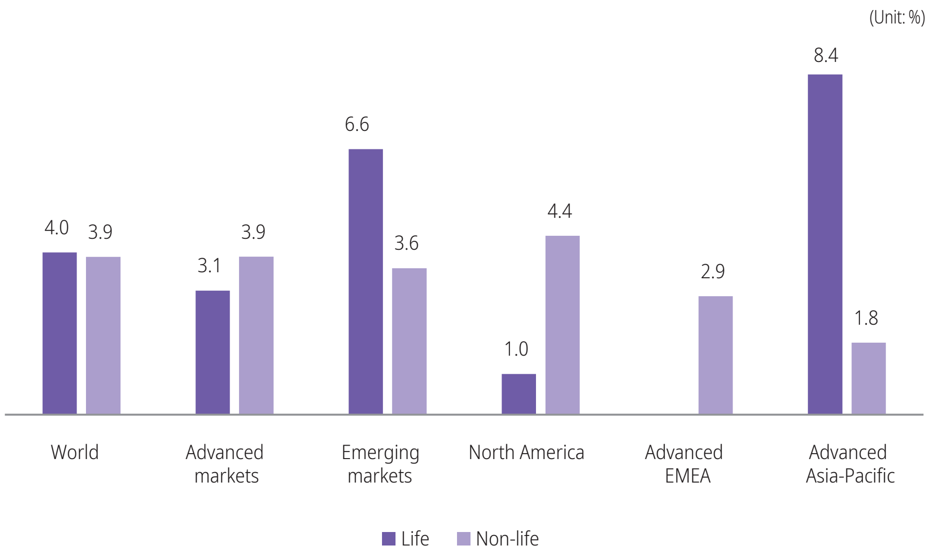


Source: Swiss Re, Sigma

The global premium growth rate in life insurance was 4.0% in 2025. Real life premium growth in advanced markets was 3.1%, slowing from the 6.3% surge in 2024 as the boom in savings and annuity demand subsided. Emerging market premiums recorded solid real growth of 6.6%. China was the main driver, with premiums up 9.4% on strong demand for savings products, supported by better product features and rising household savings. Outside China, growth in emerging markets was weaker, as a decline in Latin America was partly offset by solid demand in emerging Asia, where India benefited from supportive tax and regulatory changes.

Global non-life premium growth slowed to 3.9% in 2025 from 4.6% in 2024. In advanced markets, real premium growth held up at 3.9%, led by North America at 4.4% on the back of still-firm personal lines and US casualty pricing. Premiums in advanced EMEA rose by 2.9%, boosted by natural catastrophe-related reforms in France and Italy. In advanced Asia-Pacific, growth was weak at 1.8%, as pricing momentum slowed in Australia and a shrinking risk pool in Japan constrained volumes. Emerging market premium growth decreased to 3.6% from 6.2% in 2024, mainly due to weakening growth in China.

Figure 9. Global real premium growth in 2025



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(2026), Sigma, No 2

The US and China once again ranked as the world's two largest insurance markets in 2025. Total premiums in the US grew 6.3% to USD 3.8 trillion, although its share of global premium income decreased to 44.4% in 2025 from 44.9% in 2024. China followed with premiums of USD 851 billion, up 7.5% from a year earlier, maintaining a 10.0% share of the world market. The UK held on to third place, while France moved up to fourth, overtaking Japan on the back of robust premium growth of 11.9%.

Korea's total insurance premiums reached USD 186 billion in 2025, up 5.8% from the previous year, recovering from the contraction seen in 2024. With 2.2% of global premium income, Korea remained the ninth largest insurance market in the world, holding the same position as a year earlier.

Table 3. Total premium income by country

(Unit: USD billion, %)

Rank	Country	Premium income			Share of world market	
		2024	2025	Changes, 2025	2024	2025
1	United States	3,542	3,763	6.3	44.9	44.4
2	China	792	851	7.5	10.0	10.0
3	UK	472	491	4.1	6.0	5.8
4	France	343	384	11.9	4.3	4.5
5	Japan	310	327	5.4	3.9	3.9
6	Germany	268	296	10.7	3.4	3.5
7	Italy	182	205	12.7	2.3	2.4
8	Canada	182	191	5.4	2.3	2.3
9	Korea	176	186	5.8	2.2	2.2
10	India	143	151	5.8	1.8	1.8

Source: Swiss Re(2026), Sigma, No 2

Premium income and total assets

The total premium income of insurers in Korea increased by 11.1% from the previous year to KRW 266.7 trillion in 2025.

The premium income of life insurers reached KRW 127.5 trillion in 2025, up 12.4% from the previous year, driven by the continued growth of protection-type insurance following the adoption of IFRS 17 and a sharp rebound in group insurance, including pension plans.

Non-life insurers reported 10.0% premium growth in 2025, with a total premium income of KRW 139.2 trillion, driven by growth in long-term insurance[5)] and pension plans.

Table 4. Premium income of Korean insurers

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Life	118,849 (-0.6)	132,684 (11.6)	112,407 (-15.3)	113,440 (0.9)	127,506 (12.4)
Non-life	106,510 (5.3)	118,946 (11.7)	124,070 (4.3)	126,542 (2.0)	139,153 (10.0)
Total	225,359 (2.1)	251,630 (11.7)	236,477 (-6.0)	239,982 (1.5)	266,659 (11.1)

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 5.9% to KRW 1,348.0 trillion in 2025. The assets of life insurers increased by 5.8% to KRW 957.8 trillion, and those of non-life insurers increased by 6.1% to KRW 390.1 trillion.

Table 5. Total assets of Korean insurers

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Life	992,389 (1.5)	938,274 (-5.5)	882,565 (-5.9)	905,542 (2.6)	957,845 (5.8)
Non-life	366,308 (6.5)	371,814 (1.5)	343,705 (-7.6)	367,773 (7.0)	390,128 (6.1)
Total	1,358,697 (2.8)	1,310,088 (-3.6)	1,226,270 (-6.4)	1,273,315 (3.8)	1,347,973 (5.9)

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

Market landscape

In 2025, the Korean insurance market consisted of 53 insurers, comprising 22 life insurers and 31 non-life insurers.

The number of life insurers in 2025 remained unchanged at 22 since the 2023 merger of KB Life Insurance and Prudential Life Insurance.

The number of non-life insurers decreased to 31 in 2025 from 32 in 2024. Carrot General Insurance was absorbed by Hanwha General Insurance, and Tokio Marine & Nichido Fire Insurance withdrew its Korean branch. Meanwhile, Yebyeol General Insurance was newly established to wind down MG Non-Life Insurance, which exited the market. My Brown was launched as Korea's first small-amount and short-term insurance company.

Table 6. Number of insurers in Korea(as of December 2025)

Classification		Domestic	Foreign	Total
Life insurance		14	8	22
Non-life insurance	Primary	15	8	23
	Reinsurer	1	7	8
Total		30	23	53

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 2025, there were 12 listed insurance companies in Korea, comprising 4 life insurers and 8 non-life insurers. The number of listed non-life insurers had fallen to 7 after Meritz Fire & Marine Insurance was delisted in 2023. In March 2025, Seoul Guarantee Insurance was newly listed on the KOSPI, bringing the number back to 8.

Table 7. Listed insurers in Korea(as of December 2025)

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 (8)	Korean Reinsurance	1969.12.22.
	Lotte Insurance	1972.04.16.
	DB Insurance	1973.06.28.
	Heungkuk Fire & Marine Insurance	1974.12.05.
	Samsung Fire & Marine Insurance	1975.06.26.
	Hanwha General Insurance	1975.06.30.
	Hyundai Marine & Fire Insurance	1989.08.25.
	Seoul Guarantee Insurance	2025.03.14.

Source: Korea Listed Companies Association

Status of foreign insurers

The share of foreign insurers in the Korean life insurance market decreased by 0.8%p, from 19.1% in 2023 to 18.3% in 2024, and further declined to 17.9% in 2025.

Foreign insurers' share in the Korean non-life insurance market continued to decline, falling from 2.1% in 2021 to 1.5% in 2025.

Table 8. Premium income and market share of foreign insurers

(Unit: KRW billion, %)

Classification	2021		2022		2023		2024		2025	
	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life	Life	Non-life
Premium income	22,146	2,218	25,029	2,259	21,469	2,267	20,721	2,211	22,837	2,108
Market share	18.6	2.1	18.9	1.9	19.1	1.8	18.3	1.7	17.9	1.5

Source: KIDI, Monthly Insurance Report

Market concentration

The market share of the top three life insurers (Samsung, Hanwha, and Kyobo) decreased to 50.6% in 2025 from 50.9% in 2024.

The market share of the top five non-life insurers (Samsung, DB, KB, Hyundai, and Meritz) increased by 1.0%p from 79.0% in 2024 to 80.0% in 2025.

Table 9. Market concentration

(Unit: %)

	Ranking	Company	Market share				
			2021	2022	2023	2024	2025
Life	1	Samsung Life	22.4	21.7	22.7	22.0	21.0
	2	Hanwha Life	12.4	14.0	12.5	16.1	15.5
	3	Kyobo Life	13.3	15.6	16.9	12.8	14.1
	4	Shinhan Life	5.5	5.8	6.3	6.2	7.0
	5	NongHyup Life	4.9	3.9	4.5	5.6	4.7
	6	KB Life	3.8	3.4	3.7	4.1	4.5
	7	Mirae Asset Life	6.4	4.0	3.6	3.8	3.9
		Top 3	48.1	51.3	52.1	50.9	50.6
Non-life	1	Samsung Fire & Marine	22.6	20.5	21.7	21.9	21.4
	2	DB Insurance	16.8	16.2	16.8	17.0	17.7
	3	KB Insurance	12.4	13.4	12.1	13.2	14.6
	4	Hyundai Marine & Fire	15.5	15.2	14.8	14.8	14.3
	5	Meritz Fire & Marine	9.4	14.9	12.9	12.1	12.0
	6	Hanwha Non-life	5.6	5.1	5.1	5.3	5.3
	7	Lotte Insurance	6.3	4.0	6.1	5.2	4.5
		Top 5	76.7	80.2	78.3	79.0	80.0

Source: KIDI, Monthly Insurance Report

KOREAN
INSURANCE
INDUSTRY

2026

Life insurance industry

- Statement of financial position
- Income statement
- Investment rate of return
- Premium income
- Expenditures
- Management efficiency
- Distribution

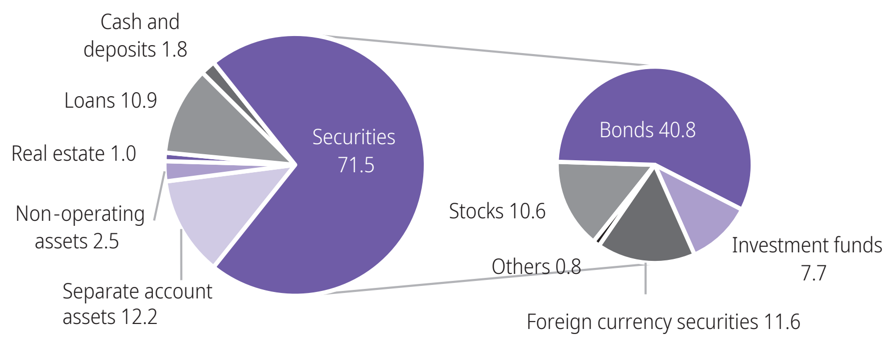
Statement of financial position

The total assets of life insurers increased to KRW 957.8 trillion in 2025, up 5.8% from KRW 905.5 trillion in 2024. This growth was primarily driven by an expansion in general account assets, which rose by 4.6% year-on-year to approximately KRW 840.5 trillion. Meanwhile, separate account assets increased by 15.5% from the previous year to KRW 117.3 trillion, marking a turnaround after declining continuously since 2022.

In terms of asset composition, securities remained the largest asset class, accounting for 71.5% of total assets. Among securities, the shares of bonds, foreign currency securities, stocks, and investment funds were 40.8%, 11.6%, 10.6%, and 7.7%, respectively. Assets held in loans represented 10.9% of total assets. Separate accounts made up 12.2%, while non-operating assets[6] accounted for 2.5%. Cash and deposits comprised 1.8%, and real estate accounted for 1.0% of total assets.

Figure 10. Asset portfolio in 2025

(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 2025)

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Assets					
Cash and deposits	13,967 (1.4)	16,817 (1.8)	18,293 (2.1)	15,365 (1.7)	17,580 (1.8)
Securities	600,833 (60.5)	550,707 (58.7)	606,541 (68.9)	641,086 (70.8)	684,384 (71.5)
Stocks	60,413 (6.1)	51,484 (5.5)	68,173 (7.7)	62,244 (6.9)	101,108 (10.6)
Bonds	369,803 (37.3)	340,151 (36.3)	374,608 (42.5)	396,108 (43.7)	390,326 (40.8)
Investment funds	62,120 (6.3)	68,607 (7.3)	71,162 (8.1)	74,977 (8.3)	73,999 (7.7)
Foreign currency securities	103,614 (10.4)	85,707 (9.1)	86,382 (9.8)	99,372 (11.0)	111,376 (11.6)
Others	4,882 (0.5)	4,757 (0.5)	6,187 (0.7)	8,386 (0.9)	7,575 (0.8)
Loans	155,187 (15.6)	157,456 (16.8)	120,640 (13.7)	112,355 (12.4)	104,806 (10.9)
Real estate	11,902 (1.2)	11,567 (1.2)	11,502 (1.3)	10,990 (1.2)	10,050 (1.0)
Non-operating assets	24,260 (2.4)	32,853 (3.5)	19,925 (2.3)	24,146 (2.7)	23,719 (2.5)
Separate account assets	186,241 (18.8)	168,873 (18.0)	105,694 (12.0)	101,601 (11.2)	117,305 (12.2)
Total assets	992,389	938,274	882,565	905,542	957,845
Liabilities					
Policy reserves	669,466	674,201	628,134	679,123	672,794
Policyholder equity adjustments	14,546	5,543	10,566	7,408	17,650
Other liabilities	26,939	31,402	33,070	35,110	47,697
Separate account liabilities	193,956	177,135	105,890	101,810	117,500
Total liabilities	904,907	888,280	777,608	823,451	855,641
Shareholders' equity					
Capital stock	12,368	12,530	12,370	12,887	13,671
Capital surplus	9,584	9,020	10,216	10,231	10,461
Hybrid securities	4,690	4,138	3,979	5,201	6,488
Retained earnings	37,324	40,978	53,871	57,488	60,212
Capital adjustment	-3,578	-3,802	-4,019	-4,013	-4,062
Accumulated other comprehensive income	27,095	-12,870	28,854	298	15,434
Total shareholders' equity	87,482	49,994	104,957	82,091	102,204
Total liabilities and shareholders' equity	992,389	938,274	882,565	905,542	957,845

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

In 2025, the total liabilities of life insurers increased to KRW 855.6 trillion from KRW 823.5 trillion in the previous year. Notably, the increase stemmed not from policy reserves but from separate account liabilities, other liabilities, and policyholder equity adjustments, the last of which reflected valuation gains on bond holdings as market interest rates declined over the course of the year. Policy reserves, by contrast, edged down slightly.

Meanwhile, shareholders' equity rose significantly to KRW 102.2 trillion from KRW 82.1 trillion in 2024, supported by improved profitability and favorable movements in Accumulated Other Comprehensive Income (AOCI).

Income statement

In 2025, the net income of life insurers fell to KRW 5.0 trillion, down 11.8% from KRW 5.6 trillion in the previous year.

The net underwriting balance fell to KRW 3.9 trillion from KRW 4.3 trillion in 2024, as the adverse impact of loss-making contracts and experience variance losses more than offset the positive contribution from CSM amortization.

Meanwhile, net investment income decreased slightly to KRW 2.9 trillion from KRW 3.0 trillion in the previous year, reflecting higher insurance finance expenses and weaker investment performance.

Table 11. Summary of income statement

(Unit: KRW billion, %)

Classification		2021	2022	2023	2024	2025
Income	Underwriting	78,986	94,494	32,370	34,203	36,686
	Investment	36,392	43,208	60,061	67,111	74,327
	Other	4,939	4,803	340	346	346
	Total	120,317	142,506	92,771	101,660	111,359
Expenditure	Underwriting	82,834	113,073	27,496	29,939	32,774
	Investment	12,601	20,237	58,443	64,095	71,437
	Other	1,190	1,203	478	572	589
	Total	96,625	134,513	86,417	94,606	104,800
Net balance	Underwriting	-3,848	-18,579	4,874	4,264	3,912
	Investment	23,791	22,971	1,618	3,016	2,890
	Other	3,749	3,601	-138	-226	-243
	Total	4,730	4,701	6,354	7,054	6,559
Tax		1,004	997	1,259	1,421	1,591
Net income (loss)		3,726	3,704	5,095	5,633	4,968

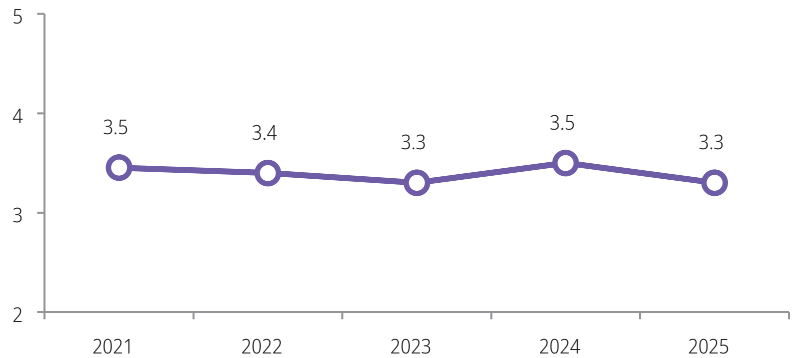
Note: Net balance of underwriting includes the net balance of policy reserve.
Source: KIDI, Monthly Insurance Report

Investment rate of return

The rate of return for life insurers decreased to 3.3% in 2025 from 3.5% in 2024, reflecting weaker investment performance and higher insurance finance expenses.

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 fell by 7.7% year-on-year to KRW 217.3 trillion in 2025, primarily attributable to lower sales of savings insurance products. Lapses and surrenders also declined by 7.0% to KRW 196.3 trillion. Despite weaker new business growth, the value of business in force increased by 1.3% to KRW 2,337.1 trillion, supported by the continued accumulation of in-force policies.

Table 12. Insurance contracts

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
New business	283,492 (-8.3)	266,443 (-6.0)	243,946 (-8.4)	235,424 (-3.5)	217,338 (-7.7)
Lapses & surrenders	211,117 (-11.3)	216,932 (2.8)	219,690 (1.3)	211,042 (-3.9)	196,296 (-7.0)
Business in force	2,454,418 (0.2)	2,424,609 (-1.2)	2,374,029 (-2.1)	2,308,269 (-2.8)	2,337,126 (1.3)

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 declined by 5.9% year-on-year to KRW 22.7 trillion in 2025. Although demand for lump-sum annuity products remained stable, first-year premiums from non-tax-qualified annuities decreased as insurers shifted their sales focus toward protection-type insurance products.

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

Premium income from protection-type insurance increased by 12.4% year-on-year to KRW 61.1 trillion in 2025, driven by strong sales of health and accident insurance products with low or no surrender values, which are favorable for generating CSM. Growth was also supported by continued expansion in whole life insurance sales.

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

Premium income from endowment insurance rose to KRW 5.0 trillion in 2025, up 7.3% from 2024. This increase was driven primarily by robust sales of foreign currency-denominated policies.

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

Premium income from variable insurance rose by 2.8% year-on-year to KRW 12.6 trillion in 2025, supported by stronger demand for investment-linked insurance products amid rising stock market indices.

• Group insurance (pension plans and general group insurance)

Premium income from group insurance increased sharply by 44.6% year-on-year to KRW 26.1 trillion in 2025, recovering from the significant decline recorded in the previous year.

Table 13. Premium income by product type

(Unit: KRW billion, %)

Classification		2021	2022	2023	2024	2025
Individual total		94,240 (-2.1)	104,372 (10.8)	88,161 (-15.5)	95,356 (8.2)	101,363 (6.3)
	Pure endowment	17,142 (0.3)	18,827 (9.8)	22,021 (17.0)	24,114 (9.5)	22,699 (-5.9)
	Protection-type	44,266 (-0.1)	46,488 (5.0)	47,999 (3.2)	54,343 (13.2)	61,090 (12.4)
	Endowment	14,897 (-15.7)	26,322 (76.7)	5,918 (-77.5)	4,625 (-21.9)	4,962 (7.3)
	Variable	17,935 (4.1)	12,735 (-29.0)	12,224 (-4.0)	12,274 (0.4)	12,613 (2.8)
Group		24,609 (5.6)	28,312 (15.0)	24,247 (-14.4)	18,084 (-25.4)	26,143 (44.6)
Total		118,849 (-0.6)	132,684 (11.6)	112,407 (-15.3)	113,440 (0.9)	127,506 (12.4)

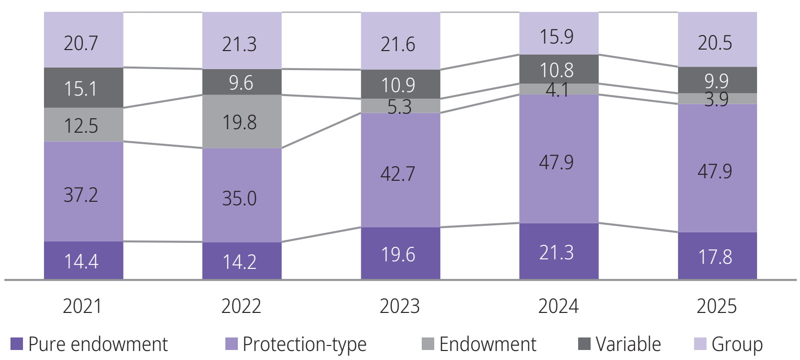
Note: 1) Figures in ( ) refer to growth rates.
2) In 2023, industry reporting standards were revised. To maintain continuity, the categories were adjusted as follows: Endowment insurance includes asset-linked insurance and foreign currency insurance. Additionally, pure endowment insurance encompasses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

3. Market share of premium income by product type

Protection-type insurance remained the dominant product line, accounting for 47.9% of total premium income in 2025, unchanged from the previous year. The share of pure endowment insurance declined to 17.8%, while variable insurance and endowment insurance accounted for 9.9% and 3.9%, respectively. In contrast, the share of group insurance increased significantly to 20.5%, up from 15.9% in 2024.

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

(Unit: %)



Source: KIDI, Monthly Insurance Report

4. Premium income by company group

In 2025, the market shares of the top three life insurers, other domestic insurers, and foreign insurers stood at 50.6%, 31.5%, and 17.9%, respectively. The market share of other domestic insurers increased by 0.7%p year-on-year, while the shares of the top three insurers and foreign insurers declined by 0.3%p and 0.4%p, respectively.

Table 14. Premium income by company group

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Top three companies	57,157 (48.1)	68,110 (51.3)	58,613 (52.1)	57,788 (50.9)	64,498 (50.6)
Other domestic companies	37,242 (31.3)	37,371 (28.2)	32,326 (28.8)	34,931 (30.8)	40,171 (31.5)
Foreign companies	24,451 (20.6)	27,203 (20.5)	21,469 (19.1)	20,721 (18.3)	22,837 (17.9)
Total	118,849 [-0.6]	132,684 [11.6]	112,407 [-15.3]	113,440 [0.9]	127,506 [12.4]

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

Expenditures

Claims paid by life insurers increased by 0.5% year-on-year to KRW 110.1 trillion in 2025.

The operating expenses of life insurers totaled KRW 25.8 trillion in 2025, marking a 12.5% increase from 2024. 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	2021	2022	2023	2024	2025
Claims paid	99,173 (4.1)	134,368 (35.5)	118,558 (-11.8)	109,590 (-7.6)	110,105 (0.5)
Operating expenses	14,686 (-4.5)	15,121 (3.0)	18,503 (22.4)	22,930 (23.9)	25,804 (12.5)

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

Management efficiency

In 2025, the ratio of claims paid, defined as claims paid against premium income, decreased to 86.4%, marking a drop of 10.2%p year-on-year.

The ratio of lapses and surrenders, calculated by dividing the number of lapsed and surrendered contracts by the sum of policies in force and new business, stood at 7.7%, down 0.4%p from 2024.

The ratio of operating expenses remained at around 20.2%, largely driven by increased sales of health insurance products with low or no surrender values, single-premium annuities, and short-pay whole life insurance.

Table 16. Management efficiency

(Unit: %)

Classification	2021	2022	2023	2024	2025
The ratio of claims paid	83.4	101.3	105.5	96.6	86.4
The ratio of lapses and surrenders	7.7	7.7	8.2	8.1	7.7
The ratio of operating expenses	12.4	11.4	16.5	20.2	20.2

Source: KIDI, Monthly Insurance Report

Distribution

1. Market share by distribution channel

In 2025, the market share of the direct writer channel expanded, whereas the solicitor, agency, and bancassurance channels saw their shares contract.

In terms of total initial premium income, the market shares of the solicitor and agency channels fell to 6.1% and 6.8%, respectively. The bancassurance channel's market share decreased by 7.4%p year-on-year to 62.4% in 2025. Conversely, the market share of the direct writer channel surged to 24.6%, marking an increase of 8.5%p compared to 2024, while the broker channel remained flat at 0.0%.

Table 17. Market share by distribution channel based on initial premium income

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Direct writers	5,290 (30.5)	6,125 (19.2)	4,811 (25.4)	3,735 (16.1)	6,908 (24.6)
Solicitors	1,495 (8.6)	3,785 (11.9)	1,278 (6.7)	1,610 (6.9)	1,707 (6.1)
Agents	1,595 (9.2)	4,014 (12.6)	962 (5.1)	1,608 (6.9)	1,919 (6.8)
Brokers	23 (0.1)	28 (0.1)	11 (0.1)	1 (0.0)	0 (0.0)
Bancassurance	8,937 (51.5)	17,933 (56.2)	11,887 (62.7)	16,187 (69.8)	17,495 (62.4)
Others	7 (0.0)	34 (0.1)	21 (0.1)	44 (0.2)	30 (0.1)
Total	17,346 (100.0)	31,919 (100.0)	18,970 (100.0)	23,185 (100.0)	28,059 (100.0)

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

2. Number of solicitors and insurance agents

In 2025, the number of solicitors continued its upward trend, reaching 72,721, up 10.4% year-on-year.

Meanwhile, the number of agency-affiliated solicitors grew by 10.6%, rising from 288,446 in 2024 to 319,106 in 2025. This expansion was primarily driven by the ongoing migration of exclusive solicitors to general agencies, spurred by highly competitive settlement support incentives.

Table 18. Number of solicitors

(Unit: persons, %)

Classification	2022	2023	2024	2025
Tied solicitors[2)]	59,002 (-10.8)	58,471 (-0.9)	65,886 (12.7)	72,721 (10.4)
Agency-affiliated solicitors	249,251 (0.7)	263,321 (5.6)	288,446 (9.5)	319,106 (10.6)

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

Non-life insurance industry

Statement of financial position

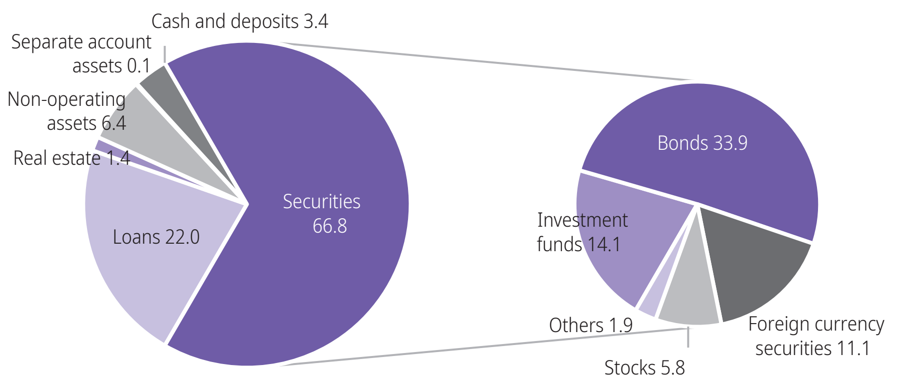
The total assets of non-life insurers reached KRW 390.1 trillion in 2025, up 6.1% from 2024. General account assets rose 6.1% to KRW 389.9 trillion, while separate account assets grew 36.7% to KRW 272 billion.

In 2025, securities remained the largest asset class, with their share rising 0.5%p to 66.8%. Within securities, bonds made up 33.9%, investment funds 14.1%, foreign currency securities 11.1%, stocks 5.8%, and other assets 1.9%.

Loans accounted for 22.0% of the portfolio, down 0.4%p from 2024. They were followed by non-operating assets at 6.4%, cash and deposits at 3.4%, and real estate at 1.4%.

Figure 13. Asset portfolio in 2025

(Unit: %)



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

Table 19. Summary of statement of financial position(as of December 2025)

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Assets					
Cash and deposits	6,318 (1.7)	9,247 (2.5)	10,430 (3.0)	11,571 (3.1)	13,088 (3.4)
Securities	199,622 (54.5)	193,179 (52.0)	226,303 (65.8)	243,656 (66.3)	260,451 (66.8)
Stocks	15,471 (4.2)	13,271 (3.6)	16,486 (4.8)	15,268 (4.2)	22,720 (5.8)
Bonds	104,176 (28.4)	101,880 (27.4)	120,151 (35.0)	131,593 (35.8)	132,151 (33.9)
Investment funds	41,882 (11.4)	44,714 (12.0)	51,790 (15.1)	51,250 (13.9)	54,978 (14.1)
Foreign currency securities	35,835 (9.8)	32,182 (8.7)	33,162 (9.6)	38,710 (10.5)	43,180 (11.1)
Others	2,258 (0.6)	1,133 (0.3)	4,536 (1.3)	6,835 (1.9)	7,423 (1.9)
Loans	81,590 (22.3)	85,925 (23.1)	78,144 (22.7)	82,348 (22.4)	85,676 (22.0)
Real estate	5,901 (1.6)	5,239 (1.4)	5,179 (1.5)	5,509 (1.5)	5,506 (1.4)
Non-operating assets	38,604 (10.5)	43,624 (11.7)	23,472 (6.8)	24,491 (6.7)	25,136 (6.4)
Separate account assets	34,267 (9.4)	34,600 (9.3)	175 (0.1)	199 (0.1)	272 (0.1)
Total assets	366,308	371,814	343,705	367,773	390,128
Liabilities					
Policy reserves	257,870	267,502	258,743	282,411	291,971
Other liabilities	25,126	24,693	21,564	25,148	32,053
Separate account liabilities	36,190	40,767	173	199	275
Total liabilities	319,186	332,962	280,480	307,759	324,298
Shareholders' equity					
Capital stock	3,471	4,151	4,487	4,777	4,951
Capital surplus	3,460	3,057	3,113	3,102	2,611
Hybrid securities	1,195	2,022	1,583	2,133	3,093
Retained earnings	33,221	37,668	50,152	55,814	60,315
Capital adjustment	-2,179	-2,044	-1,869	-1,873	-1,926
Accumulated other comprehensive income	7,954	-6,021	5,767	-3,938	-3,215
Total shareholders' equity	47,122	38,852	63,233	60,015	65,829
Total liabilities and shareholders' equity	366,308	371,814	343,705	367,773	390,128

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

In 2025, the total liabilities of non-life insurers increased to KRW 324.3 trillion from KRW 307.8 trillion in 2024. The rise was driven by higher insurance liability valuations as falling market rates lowered the discount rate, compounded by conservative actuarial guidelines from regulators and continued inflows of long-term protection-type new business.

Total shareholders' equity rose to KRW 65.8 trillion from KRW 60.0 trillion, supported by the issuance of hybrid capital, the accumulation of retained earnings, and improved other comprehensive income amid rising stock prices.

Income statement

The net income of non-life insurers fell 16.3% from 2024 to KRW 7.2 trillion in 2025. The decline was driven by a sharp drop in underwriting results, where the net balance fell to KRW 5.6 trillion from KRW 8.3 trillion, as rising loss ratios—reflecting lower automobile insurance premiums and higher long-term insurance claims—weighed on profitability. In contrast, the investment net balance improved to KRW 4.4 trillion from KRW 3.3 trillion, supported by higher interest and dividend income.

Table 20. Summary of income statement

(Unit: KRW billion)

Classification		2021	2022	2023	2024	2025
Income	Underwriting	90,372	95,301	92,023	95,101	100,835
	Investment	12,634	14,159	17,237	21,804	23,132
	Other	536	641	149	194	142
	Total	103,541	110,101	109,410	117,099	124,109
Expenditure	Underwriting	92,942	96,717	83,715	86,799	95,208
	Investment	4,008	5,069	14,474	18,523	18,684
	Other	627	958	179	258	214
	Total	97,577	102,744	98,369	105,580	114,106
Net balance	Underwriting	-2,571	-1,415	8,308	8,302	5,627
	Investment	8,626	9,090	2,763	3,281	4,448
	Other	-91	-318	-30	-64	-73
	Total	5,694	7,358	11,042	11,519	10,003
Tax		1,639	1,882	2,709	2,867	2,759
Net income (loss)		4,326	5,476	8,333	8,652	7,244

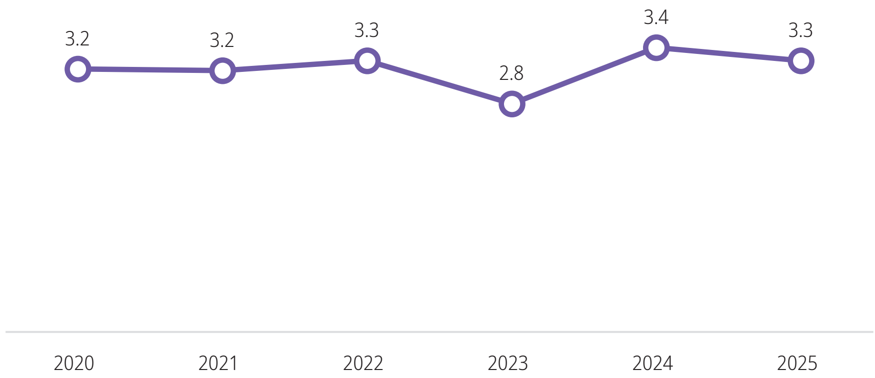
Source: Financial Supervisory Service

Investment rate of return

In 2025, the rate of return on non-life insurers' investments declined to 3.3% from 3.4% in 2024, as interest income fell as high-yield bonds matured and losses from alternative investments materialized amid real estate project financing distress. It nonetheless remained above the 2023 level of 2.8%.

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)] amounted to KRW 139.2 trillion in 2025, with the growth rate rising to 10.0% from 2.0% in 2024.

The increase was led by pension plans, which surged 33.3%. Long-term insurance, the largest line, grew 7.5%, while marine, casualty, and guarantee insurance rose 3.7%, 3.5%, and 2.5%, respectively. In contrast, individual annuities fell 13.6%, automobile insurance declined 1.7%, and fire insurance edged down 1.3%.

Table 21. Direct premiums written by line

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Fire	314 (15.7)	316 (0.4)	325 (3.0)	353 (8.4)	348 (-1.3)
Marine	736 (5.6)	872 (18.4)	958 (9.9)	1,049 (9.5)	1,087 (3.7)
Automobile	20,316 (3.8)	20,815 (2.5)	21,099 (1.4)	20,721 (-1.8)	20,368 (-1.7)
Guarantee	2,031 (0.0)	2,084 (2.6)	2,229 (7.0)	2,288 (2.6)	2,345 (2.5)
Casualty	7,740 (10.7)	8,456 (9.3)	9,418 (11.4)	9,963 (5.8)	10,307 (3.5)
Long-term	57,785 (5.3)	60,729 (5.1)	63,033 (3.8)	66,855 (6.1)	71,878 (7.5)
Annuities	2,592 (-13.3)	2,179 (-15.9)	1,948 (-10.7)	1,694 (-13.2)	1,463 (-13.6)
Pension plans	14,308 (9.1)	22,528 (57.4)	24,016 (6.6)	22,295 (-7.2)	29,719 (33.3)
Overseas direct	688 (18.2)	968 (40.6)	1,042 (7.7)	1,326 (27.2)	1,638 (23.6)
Total	106,510 (5.3)	118,946 (11.7)	124,070 (4.3)	126,542 (2.0)	139,153 (10.0)

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 pension plans.

1. Lines of business

Fire insurance

The premium income from fire insurance declined 1.3% from 2024 to KRW 348 billion in 2025, due to softening demand and rate adjustments in dwelling and industrial fire insurance.

Marine insurance

In 2025, marine insurance premium income was KRW 1,087 billion, up 3.7% from 2024. Growth was supported by hull, cargo, and liability insurance.

Automobile insurance

The premium income from automobile insurance fell 1.7% from 2024 to KRW 20.4 trillion in 2025. Earned premiums per vehicle declined as past premium cuts continued to weigh, more drivers bought policies through online channels, and mileage and safe-driving discounts became widespread.

Guarantee insurance

In 2025, the premium income from guarantee insurance amounted to KRW 2.3 trillion, up 2.5% from 2024. Demand for credit-related guarantee insurance continued to rise, though growth stayed modest amid the economic slowdown.

Casualty insurance[9)]

The premium income from casualty insurance rose 3.5% from 2024 to KRW 10.3 trillion in 2025. Structural factors such as new coverage areas from changes in industrial structure and the expansion of mandatory liability insurance continued, but growth slowed from the previous year.

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

Long-term insurance[10)]

In 2025, premium income from long-term insurance grew 7.5% from 2024 to KRW 71.9 trillion, driven mainly by accident and sickness insurance. Accident and sickness insurance premium income rose 8.1%. Growth was led by fixed-benefit diagnosis and surgery riders that fall outside indemnity insurance regulations, aggressive marketing of low- and no-surrender-value products to build up CSM, and strong demand for aging-related products such as long-term care and dementia coverage. Driver insurance edged up 0.1%, while other lines declined 2.8%.

Annuities[11)]

In 2025, premium income from individual annuities decreased 13.6% from 2024 to KRW 1.5 trillion, primarily due to adjustments in non-life insurers' portfolio strategies.

Pension plans

The premium income from pension plans surged 33.3% from 2024 to KRW 29.7 trillion in 2025, led by defined-benefit (DB) plans, as the authorities' guidance to stagger maturities, inflows of maturing funds, growing demand for retirement income, and the expansion of the IRP market all lifted premiums.

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

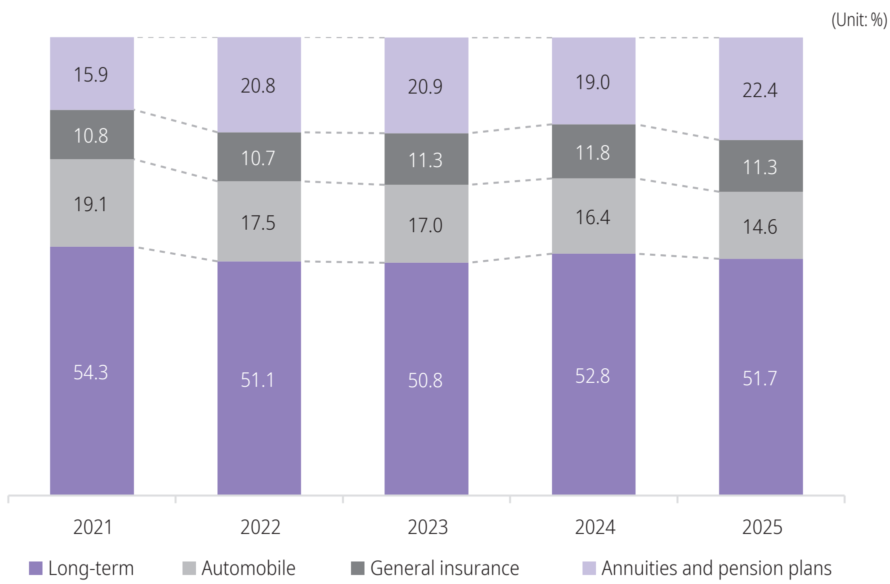
11) Non-life insurers are permitted to sell annuities qualified for tax breaks. Also, the premium income of annuities is usually associated with regulation changes for tax breaks.

2. The share of direct premiums written by line

In the non-life insurance market in 2025, the share of annuities and pension plans rose, while the shares of long-term, automobile, and general insurance declined.

The share of annuities and pension plans climbed to 22.4% from 19.0% in 2024, a gain of 3.4%p. In contrast, long-term insurance slipped to 51.7% from 52.8%, automobile insurance to 14.6% from 16.4%, and general insurance to 11.3% from 11.8%, down 1.1%p, 1.8%p, and 0.5%p, 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 rose to KRW 84.5 trillion in 2025 from KRW 77.4 trillion in 2024. The increase was led by long-term insurance, which grew to KRW 57.6 trillion from KRW 52.7 trillion, and by casualty insurance, which jumped to KRW 8.2 trillion from KRW 6.5 trillion. Fire insurance also rose sharply to KRW 198 billion, while automobile insurance edged up to KRW 16.8 trillion. In contrast, incurred losses fell in marine and guarantee insurance, to KRW 259 billion and KRW 1.4 trillion, respectively.

Table 22. Incurred losses by line

(Unit: KRW billion)

Classification	2021	2022	2023	2024	2025
Fire	143	169	164	139	198
Marine	152	226	233	280	259
Automobile	15,227	15,737	15,896	16,496	16,801
Guarantee	742	709	1,119	1,408	1,394
Casualty	4,875	6,017	6,511	6,459	8,241
Long-term	46,170	47,278	50,467	52,651	57,579
Total	67,308	70,136	74,389	77,433	84,472

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 27.7 trillion in 2025, up from KRW 24.0 trillion in 2024. The increase was led by long-term insurance, whose expenses rose to KRW 21.0 trillion from KRW 18.4 trillion, and by casualty insurance, which surged to KRW 3.0 trillion from KRW 1.8 trillion. Fire insurance also edged up to KRW 139 billion. In contrast, automobile, guarantee, and marine insurance declined to KRW 3.1 trillion, KRW 298 billion, and KRW 134 billion, respectively.

Table 23. Net operating expenses by line

(Unit: KRW billion)

Classification	2021	2022	2023	2024	2025
Fire	119	122	128	134	139
Marine	101	111	128	141	134
Automobile	3,072	3,164	3,234	3,195	3,112
Guarantee	292	314	328	334	298
Casualty	1,349	1,490	1,637	1,835	3,041
Long-term	12,527	13,148	15,763	18,373	21,005
Total	17,459	18,348	21,218	24,012	27,728

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

Management efficiency

1. Loss ratios by line

In 2025, the total loss ratio of non-life insurers rose 2.5%p from a year earlier to 82.6%. Automobile insurance rose 3.6%p to 87.4%, driven by a decrease in premiums and higher repair costs. Fire, long-term, and casualty insurance also increased, by 19.2%p, 2.7%p, and 1.0%p over 2024, respectively. In contrast, the loss ratios of marine and guarantee insurance improved, falling 5.1%p and 3.2%p, respectively.

Table 24. Earned-incurred loss ratio by line

(Unit: %)

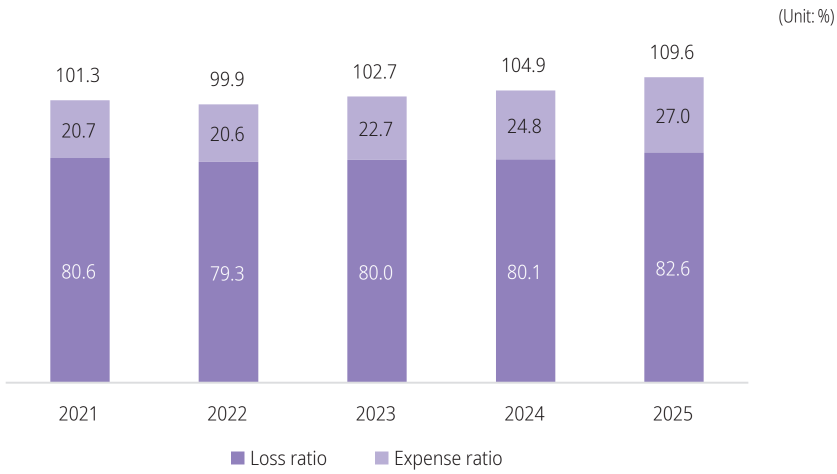
Classification	2021	2022	2023	2024	2025
Fire	60.0	70.1	70.1	55.5	74.7
Marine	47.0	58.6	55.2	60.1	55.0
Automobile	81.4	81.4	80.4	83.8	87.4
Guarantee	47.0	43.2	67.0	81.6	78.4
Casualty	74.1	78.2	79.1	76.8	77.8
Long-term	82.3	80.0	80.5	79.6	82.3
Total	80.6	79.3	80.0	80.1	82.6

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

2. Expense and combined ratios

In 2025, non-life insurers saw their loss ratio rise to 82.6% and their expense ratio to 27.0%, up 2.5%p and 2.2%p from 2024, respectively. As a result, the combined ratio—the sum of the two—reached 109.6%, climbing 4.7%p from 104.9% a year earlier.

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

Direct writers remained the largest distribution channel, making up 49.1% in 2025, as growing sales of pension plans increased their share. Agents represented 29.7%, while solicitors and brokers held 4.8% and 4.9%, respectively. Bancassurance climbed to 10.8%, driven by increased sales of savings-type insurance and annuities, and others came in at 0.8%.

Table 25. Market share by distribution channel

(Unit: KRW billion, %)

Classification	2021	2022	2023	2024	2025
Direct writers	25,727 (24.9)	37,742 (31.7)	19,048 (47.0)	18,246 (45.4)	22,526 (49.1)
Solicitors	22,925 (22.2)	22,547 (19.0)	2,722 (6.7)	2,644 (6.6)	2,206 (4.8)
Agents	47,099 (45.6)	51,229 (43.1)	13,260 (32.7)	13,441 (33.5)	13,617 (29.7)
Brokers	1,647 (1.6)	1,925 (1.6)	1,971 (4.9)	2,163 (5.4)	2,254 (4.9)
Bancassurance	5,510 (5.6)	5,282 (4.4)	1,945 (4.8)	2,066 (5.1)	4,966 (10.8)
Others	288 (0.3)	224 (0.2)	1,589 (3.9)	1,623 (4.0)	354 (0.8)
Total	103,196 (100.0)	118,948 (100.0)	40,534 (100.0)	40,183 (100.0)	45,922 (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. Number of solicitors and insurance agents

The number of solicitors in the non-life insurance market increased by 20.6% to 141,965 in 2025, driven by major insurers' expanded recruitment and a growing number of part-time solicitors. The number of agency-affiliated solicitors rose by 10.6% to 319,106, reflecting the increasing concentration of business in general agencies.

Table 26. Number of solicitors

(Unit: persons, %)

Classification	2022	2023	2024	2025
Tied solicitors[2)]	99,426 (-3.7)	103,296 (3.9)	117,750 (14.0)	141,965 (20.6)
Agency-affiliated solicitors	249,251 (0.7)	263,321 (5.6)	288,446 (9.5)	319,106 (10.6)

Note: 1) Figures in ( ) refer to annual growth rates.
2) The figures of solicitors exclude cross-selling solicitors.
Source: KIDI, Monthly Insurance Report; Financial Supervisory Service

KOREAN
INSURANCE
INDUSTRY

2026

Insurance regulation and supervision

Insurance regulation

Supervision of insurance company

Changes in supervisory regulations of insurance business

Insurance regulation[12)]

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[13)].

12) This section is extracted from the publications of the Financial Supervisory Service (FSS).
13) 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 Services Commission (FSC) announced the implementation of IFRS 17 in the Korean insurance market for 2021; however, the introduction of IFRS 17 was 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 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 legislative changes were as follows:

- Shifting to functional regulation
- Introducing a comprehensive system
- Expanding the business scope
- Upgrading the investor protection mechanism

The shift to functional regulation ensured that financial products and services performing the same function were subject to the same regulatory treatment, regardless of the financial sector in which they were 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'[14].

(a) Minimum incorporation capital requirement

The minimum capital required for the insurance business is KRW 30 billion. An insurer intending to engage in a single-line insurance business must have paid-in capital or funds of at least KRW 5 billion.

14) The term '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[15]: 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, if insurers write over 90% of total contracts or premiums via telephone, mail, or electronic communications. In that case, they may enter the 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.

15) 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 review for nondiscretionary insurance products and an ex-post 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.

In principle, discretionary insurance products may be offered to consumers without FSS supervisory review. 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[16)]

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. If there is no entity to be consolidated, available capital 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.

16) 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 a Cabinet Council review on 2 May 2017. The purpose of amendments is to abolish the caps 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[17)]

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 KRW 5 trillion 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 of directors must approve the appointment and dismissal of the compliance officer and risk manager, 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.

17) Under 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 victims of insurance fraud are 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 conducted 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. Conduct of Business[18)19)]

• Transparent disclosure of internal control practices at general agencies [2025. 1. 22.]

The FSS aims to improve the GA market through ongoing monitoring and transparent information disclosure. Starting in 2025 (based on data as of the end of 2024), the results of internal control evaluations which were previously disclosed only to the agencies themselves were made public. Currently, sanctions are calculated based on the 'ratio of illegal amounts to commission income'. Recognizing that larger general agencies often face relatively lenient sanctions even when consumer harm is significant, the FSS announced plans to conduct these sanction calculation standards during the second quarter of 2025. The FSS revised the joint and simultaneous inspections of insurance companies and GAs to penalize actions that encourage or facilitate excessive competition and unsound business practices.

• Consumer Advisory on foreign currency insurance products [2025. 2. 26.]

The FSS has issued a consumer advisory regarding foreign currency insurance products. It is important to note that foreign currency insurance is not an investment product designed to generate exchange rate gains, but rather an insurance product intended to protect against future risks. Unlike savings accounts and time deposits, the full amount of premiums paid is not accumulated; only the amount remaining after deducting premiums used to cover risks such as death and costs incurred during the sales process is accumulated. Policyholders may withdraw their application within 15 days of receiving the insurance policy or within 30 days of the application date, even without a specific reason.

18) Financial Supervisory Service, (2025.1.22.); (2025.2.26.); (2025.3.20.); (2025.4.16.); (2025.12.1.) Press Release
19) Financial Services Commission, (2025.10.21.) Press Release

• Launch of car insurance comparison and recommendation service [2025. 3. 20.]

The car insurance comparison and recommendation service 2.0 launched on March 20, 2025. By eliminating differences in insurance premiums between insurers' online channels (CM) and platforms and standardizing them, consumers are able to easily purchase insurance through the platform. Detailed vehicle information is automatically entered, and various optional coverage details—such as public transportation discounts and step-count discounts—are additionally reflected. Naver and Toss launched their services first, followed by Habit Factory at the end of March. Kakao Pay was scheduled to launch its service in the second half of the year.

• Revision of sales quota regulations for financial institution insurance agencies [2025. 4. 16.]

To enhance benefits for financial consumers and support digital innovation in the financial sector, new innovative financial services have been designated. The sales quota for products from specific insurers sold by financial institution insurance agencies was relaxed from 25% of total sales to a range of 33% to 75%. Natural disaster insurance was excluded from the sales quota calculation to promote the growth of policy-based insurance.

• Establishing a legal basis for the association to handle simple consumer complaints [2025. 10. 21.]

The Insurance Association has established a legal basis to handle simple consumer complaints—such as general inquiries and changes to premium payment methods—that do not involve potential disputes, thereby speeding up the resolution of consumer complaints. This amendment was approved at the Cabinet meeting on October 21, 2025.

• Strengthening insurance companies' management of sales agency risks [2025. 12. 1.]

To ensure proactive consumer protection, the FSS has further strengthened insurance companies' management of sales agency risks. Starting in December 2025, the FSS implemented third-party risk management guidelines as voluntary industry regulations to strengthen insurance companies' management responsibilities regarding general agencies. Additionally, in 2026, the FSS plans to conduct inspections of agent appointment practices to prevent the influx of problematic agents, such as those who violate the Insurance Business Act or frequently switch agencies.

2. Insurance products and services[20]

• Preventing fraudulent claims in auto insurance [2025. 2. 26.]

The FSS has implemented measures to ensure appropriate compensation for victims of auto accidents and to reduce the burden of auto insurance premiums on the public. The FSS established provisions in the policy terms to limit the payment of "future medical expenses" to only those with severe injuries who are highly likely to require future treatment. Patients with minor injuries who require long-term treatment exceeding the standard 8-week treatment period must submit additional documents, such as medical records. Additionally, when young adults who have been driving under their parents' insurance, as well as their spouses, take out their first insurance policy in their own name, their existing accident-free driving history will be recognized for up to three years.

• Indemnity health insurance reform [2025. 4. 1.]

Going forward, indemnity health insurance was restructured to reduce non-covered items that induce overtreatment, creating a system that provides genuine help when needed. Covered medical expenses are divided into inpatient and outpatient care. Due to concerns about the abuse of outpatient services, the out-of-pocket ratio for indemnity insurance was linked to the National Health Insurance copayment rate. To reduce the premium burden, non-covered services were divided into Rider 1 (Severe Conditions) and Rider 2 (Non-Severe Conditions), allowing policyholders to choose their coverage. Early subscribers whose policies do not include a terms-and-conditions revision (re-enrollment) clause can receive compensation through a contract buyout, terminate their existing policy, and switch to a new indemnity health insurance plan. The specific implementation plan for the contract buyouts was announced in the second half of 2025.

• Expansion of the scope of simple insurance agencies and subsidiaries [2025. 4. 29.]

The designation of "simple non-life insurance agencies"—which were originally limited to selling non-life insurance products—was changed to "simple insurance agencies," and the range of products they can sell was expanded to include life insurance and third-party insurance. In addition, the scope of business that insurance company subsidiaries may engage in was expanded to include the leasing of long-term rental housing under the Special Act on Private Rental Housing.

20) Financial Supervisory Service, (2025.2.26.); (2025.4.1.); (2025.4.29.); (2025.9.17.); (2025.10.23.); (2025.10.30.) Press Release

• Preparation of measures to rationalize auto insurance riders [2025. 9. 17.]

The FSS has analyzed currently available auto insurance riders and established an improvement plan. Compensation coverage will be expanded based on the vehicle's value, factoring in the months of use. A new rider will be introduced allowing temporary delivery workers to enroll on a daily basis. Additionally, a rental car physical damage rider will be established to provide immediate coverage upon rental. The designated proxy claim rider—which is highly useful but suffers from low enrollment due to a lack of promotion—will be improved to an “opt-out” basis; it will be included by default but can be excluded if the policyholder does not want it. Finally, to prevent disputes, the wording of the rider clauses will be revised into intuitive and plain language.

• Expansion of Paperless Medical Indemnity Insurance Claim System [2025. 10. 23.]

Effective October 25, 2025, the paperless medical indemnity insurance claim system expanded from hospitals and public health centers (Phase 1) to include local clinics and pharmacies (Phase 2). Policyholders are able to claim their insurance benefits through a mobile app without the need to visit hospital windows or submit physical documents.

• Launch of death benefit monetization products [2025. 10. 30.]

Starting October 30, 2025, policyholders will be able to monetize their life insurance death benefits and use them as financial assets during their lifetime. Depending on their financial circumstances and retirement plans, consumers may choose customized payout ratios and payment periods. However, it cannot be requested in the form of a lump-sum payment, and must be structured to be paid out in installments over a minimum period of two years. The monetization ratio (i.e., the reduced death benefit divided by the original death benefit) can be set up to a maximum of 90% of the death benefit, and the total amount paid through monetization must exceed 100% of the paid-in premiums. All life insurance companies launched death benefit monetization products on January 2, 2026.

3. Prudential Regulation[21)22)]

• Advancement of capital regulations under the new accounting and capital framework [2025. 3. 13.]

In alignment with the new accounting and solvency frameworks (IFRS 17 and K-ICS), the capital regulations for the insurance sector were advanced. To manage the quality of capital, the Tier 1 capital (capital stock, retained earnings) K-ICS ratio—which is currently utilized only as a performance evaluation metric in Management Status Evaluations—was introduced as a mandatory compliance standard, along with the establishment of a relevant disclosure framework. In light of the significant strengthening of insurance companies' prudential management standards following the introduction of the K-ICS system, the K-ICS regulatory threshold for matters such as early redemption of subordinated bonds and licensing was lowered from 150% to 130%. Additionally, the FSS addressed the lack of governance regarding the supervision of actuarial issues by explicitly stipulating the valuation standards for insurance liabilities in the regulations.

• Relaxation of conditions for reversing contingency reserves [2025. 4. 29.]

The conditions for reversing contingency reserves—which are reserves accumulated to prepare for unexpected losses in general property and casualty insurance, such as fire and marine insurance—were eased by removing the current requirements of net loss for the period and underwriting loss. Even if an insurance company does not incur an operating loss at the corporate-wide level, the company is now able to reverse the reserves and utilize them to cover losses if a specific insurance line exceeds a certain loss ratio.

21) Financial Services Commission, (2025.3.13.) Press Release
22) Financial Supervisory Service, (2025.4.29.); (2025.10.20.) Press Release

• Phased adjustment of discount rates and formulation of duration gap regulation [2025. 10. 20.]

The expansion of the ultimate observable maturity (to 30 years) will be implemented progressively over a 10-year period. In the context of recent declines in market interest rates, expanding the ultimate observable maturity—the longest maturity that utilizes actual market interest rates—up to 30 years will prevent sudden shocks to financial soundness and assist insurance companies in preparing for the future predictably. In addition, to further strengthen the asset-liability management of insurers and fundamentally reduce the impact of interest rate fluctuations on their financial soundness, a duration gap regulation (the difference between liability and asset duration, which serves as an indicator of how much net asset value changes in response to interest rate fluctuations) will be introduced. Following an impact assessment in 2025, the relevant supervisory regulations will be revised, and after implementing management disclosures in 2026, it will be fully reflected in the management status evaluation starting in 2027.

KOREAN
INSURANCE
INDUSTRY

2026

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 an individual; provided that annuity insurance 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 an individual 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 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
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
Engineering 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
Title 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
Burglary 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, or other expenses. In such cases, legal expense insurance compensating for damage incurred by an accident generating legal service or expenses for legal service shall be deemed an expense insurance
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 the treatment of bodily injury 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
Long-term care 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 therefrom, 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	19,784	125,777	2,801
Heungkuk	Jan. 1950	80	4,434	23,839	548
ABL	Dec. 1954	16	2,643	19,297	762
Samsung	May 1957	100	26,734	309,948	5,082
Kyobo	Aug. 1958	103	17,980	128,161	3,544
LINA	Apr. 1987	35	3,370	8,637	780
IM Life	Feb. 1988	302	1,090	6,835	215
Mirae Asset	Mar. 1988	991	4,972	32,855	799
KDB	Apr. 1988	583	2,018	17,205	556
DB Life	Apr. 1989	253	2,630	12,113	215
Tong Yang	Apr. 1989	807	4,814	35,314	911
MetLife	Jun. 1989	142	4,591	28,376	645
KB	Jun. 1989	162	5,733	35,229	702
Shinhan Life	Jan. 1990	578	8,891	59,448	1,534
Chubb Life	Jul. 1990	285	213	1,586	71
Hana	Nov. 1991	300	2,039	6,980	229
AIA	Mar. 1997	603	3,203	19,548	699
BNP Paribas Cardif	Oct. 2002	201	537	2,702	162
Fubon Hyundai	Jul. 2003	2,230	3,465	17,983	469
IBK	Jul. 2010	490	2,331	12,716	205
NongHyup	Mar. 2012	699	5,944	52,617	1,044
Kyobo Life Planet	Sep. 2013	369	91	682	141

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2025.
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	16,694	44,243	3,032
Hanwha	Apr. 1946	774	7,414	20,279	3,727
Lotte	May 1946	310	6,243	14,410	1,275
Heungkuk	Mar. 1948	326	3,466	12,502	1,089
Samsung	Jan. 1952	27	29,793	93,809	5,541
Hyundai	Mar. 1955	45	19,943	49,646	4,070
KB	Jan. 1959	33	20,352	44,892	2,997
DB	Mar. 1962	35	24,572	59,409	4,664
AIG	Apr. 1968	62	568	1,037	263
Seoul Guarantee	Feb. 1969	175	2,336	9,374	1,399
ACE American	Nov. 1999	31	652	1,076	368
First American, K.B.	Jul. 2001	9	13	30	18
AXA	Sep. 2001	251	825	892	1,688
Mitsui Sumitomo, K.B.	Oct. 2002	36	22	100	46
Hana	Nov. 2003	761	611	2,632	883
NongHyup	Mar. 2012	1,846	5,054	12,845	919
Allianz Global Corporate & Specialty SE, K.B.	Jan. 2017	103	20	192	24
Kakao Pay	Sep. 2021	300	64	159	230
Factory Mutual, K.B.	Jan. 2022	52	9	72	23
Shinhan EZ	Jul. 2022	191	85	361	164
Starr International (Singapore), K.B.	Oct. 2024	14	0.2	24	12
Yebyeol	Jul. 2025	30	313	3,819	258
My Brown	Jul. 2025	27	1	23	30

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2025.
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	7,842	14,000	453
Munich Re, K.B.	Nov. 1988	121.7	451	762	49
Swiss Re, K.B.	May 1995	395.5	2,964	1,465	59
Gen Re, K.B.	Dec. 1996	17.0	47	140	10
Scor Re, K.B.	Apr. 2004	279.3	1,262	1,273	52
RGA Re, K.B.	Mar. 2005	52.0	633	342	85
Hannover Re, K.B.	May 2008	32.5	56	77	12
Pacific Life Re, K.B.	Oct. 2022	204.9	237	243	16

Note: The insurance companies are listed in order of establishment date, and the figures in entries are as of December 31, 2025.
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.heungkuklife.co.kr
Kyobo Life Insurance Co., Ltd.	www.kyobo.com
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
Heungkuk 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 General Insurance Co., Ltd.	www.aig.co.kr
Seoul Guarantee Insurance Co., Ltd.	www.sgic.co.kr
ACE American Insurance Company	www.chubb.com
First American Title Insurance Company, K.B.	www.firstam.co.kr
AXA General Insurance Co., Ltd.	www.axa.co.kr
Mitsui Sumitomo Insurance Co., Ltd., K.B.	www.ms-ins.co.kr
Hana Insurance Co., Ltd.	www.hanainsure.co.kr
NongHyup Property & Casualty Insurance Co., Ltd.	www.nhfire.co.kr
Allianz Global Corporate & Specialty SE, K.B.	www.agcs.allianz.com
Kakao Pay Insurance	www.kakaopayinscorp.co.kr
Factory Mutual Insurance Co., Ltd., K.B.	www.fm.com
Shinhan EZ General Insurance	www.shinhanez.co.kr
Starr International Insurance (Singapore), K.B.	www.starr.com
Yebyeol Non-life Insurance Co., Ltd.	www.yebyeol.co.kr
My Brown	www.mybrown.co.kr

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 Pte. Ltd., K.B.	www.scor.com
RGA Reinsurance Company, K.B.	www.rgare.com
Hannover Re, K.B.	www.hannover-re.com
Pacific Life Re, K.B.	www.pacificlifere.com

4. Related organizations

Organization	Homepage
Ministry of Economy and Finance	www.moef.go.kr
Financial Services 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.ccrs.or.kr