



성균관대학교  
SUNG KYUN KWAN UNIVERSITY (SKKU)

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# Introduction to the Korea Non-life Insurance Market

Graduate School in SKK Univ.

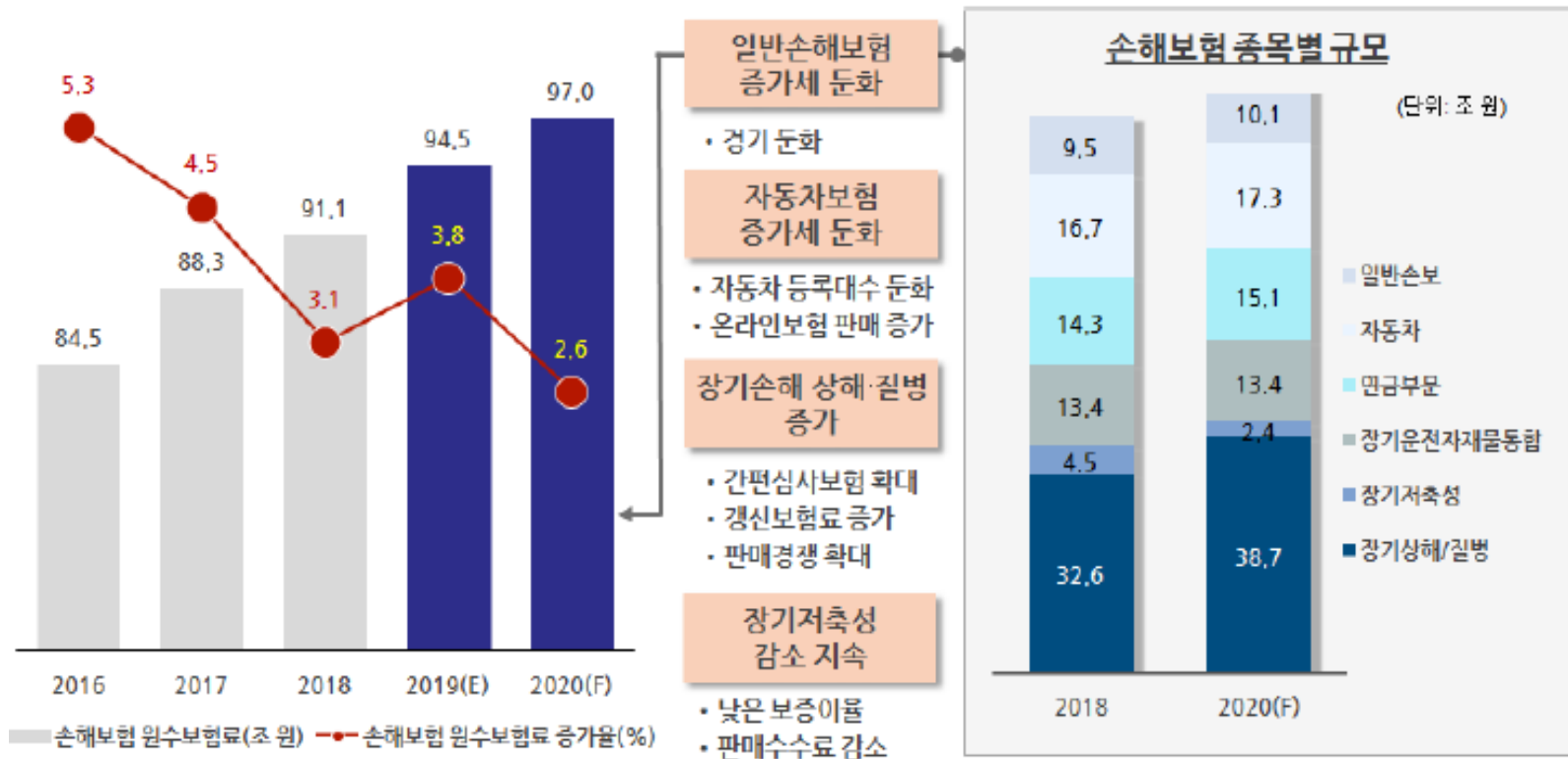
**YouMi, Lee**

**19th September, 2020**

International Trade, Sungkyunkwan University (SKKU)

# 1. Korea Market of 2020

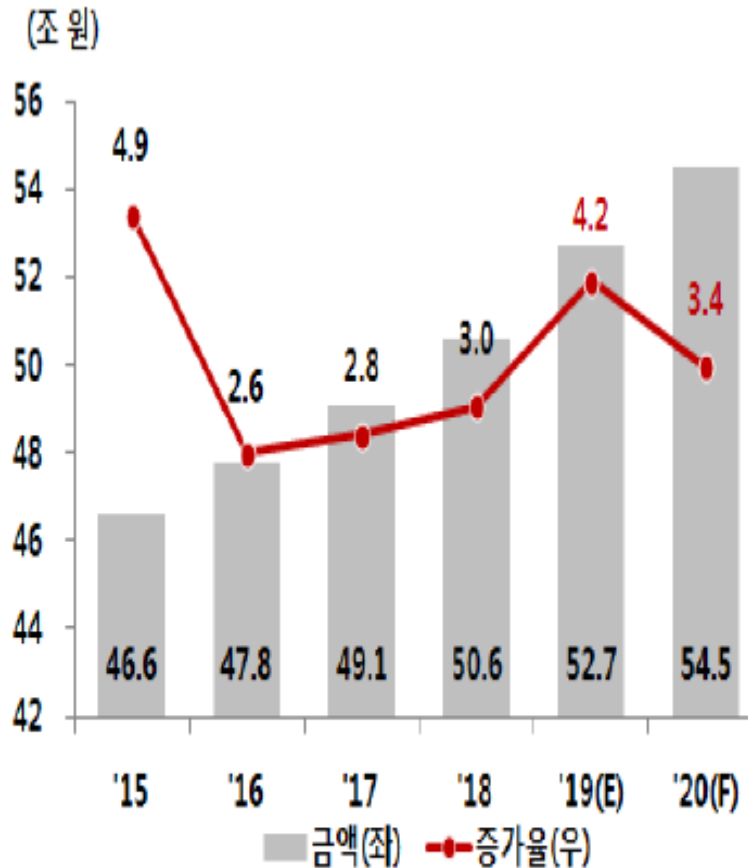
- The long-term insurance market is expected to grow 2.6% compared to the previous year, slowing down growth.



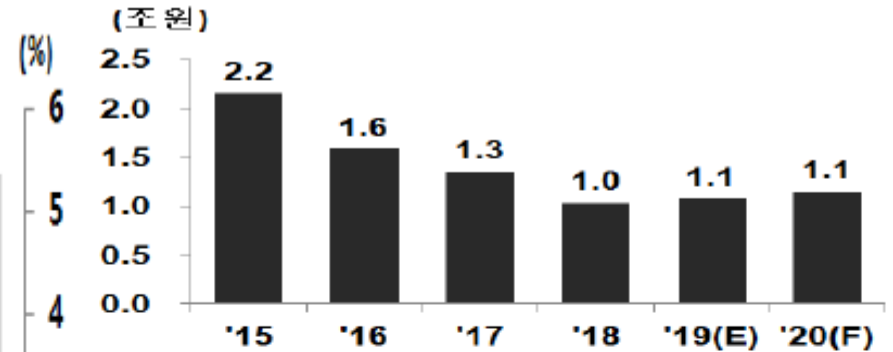
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## 2. Long-term injury and disease insurance growth

### - Premium situation about Long-term injury and disease insurance

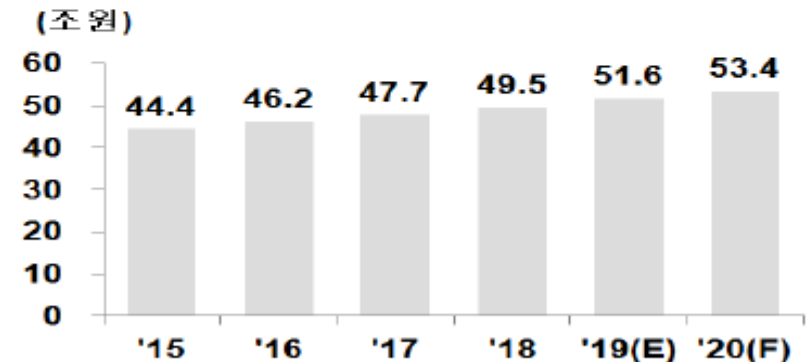


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〈그림 III-20〉 장기손해보험 계속보험료 전망



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## 2. Long-term injury and disease insurance growth

- Long-term injury and disease insurance growth is expected to slow down,
- driver insurance and property insurance are also expected to slow down,
- and savings insurance is expected to decrease.

### **3. Pension insurance growth**

- **Individual pensions have been reduced by 5.1% p compared to last year due to prolonged low interest rates and reduced tax benefits.**

## 4. Auto insurance growth

- Auto insurance has a combination of slowing growth in the number of cars registered, reduction of special contracts applied to discount insurance premiums, and an increase in online sales.
- In the case of general insurance, the liability insurance market is expected to expand, but it is expected to grow 2.8 percent due to a slowdown in construction and investment.

## 5. General Trend of Long Term Insurance Market

- Therefore, the increase in non-life insurance premiums, excluding retirement pensions, is expected to fall 0.9 percent from the previous year to 3.4 percent in 2019 and 2.5 percent for 20-year-olds.
- Long-term accident and disease insurance premium for those with medical history and Simple insurance increased sales, the arrival of renewal cycles for pre-standardized medical expense insurance,
- > Expected 7.7% year-on-year increase due to increased sales competition

## 5. General Trend of Long Term Insurance Market

- However, there is a concern that the loss rate of high loss medical insurance coverage
- and the loss rate of loss medical insurance will rise,
- and the national health insurance will be affected.
  
- Growth is expected to slow down compared to the previous year (10.1%)
- due to changes in strong insurance policies and lower interest rates due to continued low interest rates.



## 5. General Trend of Long Term Insurance Market

- Long-term drivers, property, and integrated insurance will continue to actively sell non-life insurance companies.
- Although it seems likely, it is expected to decrease 0.3% year-on-year due to intensifying competition for premium discounts.
- Long-term driver insurance is becoming more competitive due to the diversification of driver-related guarantees.
- The decline in the growth rate of driver's license holders is a factor that limits growth.

## 5. General Trend of Long Term Insurance Market

- **Savings insurance is the burden of interest rate risk due to low interest rates and**
- **protection covered insurance have been pushed to sales continuously by tightening of financial soundness regulations which has been decreased 27.6% compared to performance of last year.**

## 6. Issues

### 1) High Loss rate of Medical expense Insurance

Recently, the loss rate of loss insurance has risen sharply, and we are worried about the sustainability of loss insurance.

If the loss rate continues to rise, the contractor's premium burden will also increase.

-> It needs to raise the risk premium

## 6. Issues

### 2) Digitalization by the 4<sup>th</sup> industrial Revolution

Launched Chatting Sales Sep of 2017

Launched Chatting UW Aug of 2017

-> Great performance of contract rate

-> It needs to resolve the risk management

## Who am I?

**[Mar 1998 - Feb 2002]**

**B.S. of Biomedical Laboratory Science, Yonsei University, Seoul,  
Korea**

**[Mar 2017- Aug 2019]**

**Master of Graduate School of Global Insurance & Pension in SKK Univ, Seoul,  
Korea**

**[Sep 2019 – Now]**

**Ph D Program Graduate School in SKK Univ, Seoul, Korea**

### **Who am I?**

**I have worked as a chief Underwriter and Head of UW Dep. In Meritz non-life insurance.**

**Extensive knowledge and successful experience of the overall (risk management/ underwriting/claims/reinsurance/customer service/response to consumer complaints) and fully understanding insurance products and sales process of Life, Non-Life Insurance market, Local Korea and Global Insurance Business**

## 7. ChatBot System for Insurance

- Service for ChatBot UW for 24 hrs
- Present Trends
  - Hate to meet sales consultant
  - Had better search information by oneself
- After customer feel confidence about possibility of the insurance product, they would like to communicate with sales consultant
  - Increasing the number of visitors for Homepage
  - Increasing the number of word search
  - High contact rate

**Q & A**



**Thanks !**