

Press Release

For release at noon, April 26, 2021

Insurance Companies' Risk-based Capital Ratios, December 2020

The risk-based capital ratios (actual solvency capital divided by the minimum solvency capital required) of domestic insurance companies as of end-December 2020 stood at 275.1%, down 8.8%p from 283.9% three months earlier.

Figure. Insurance Companies' RBC Ratio

(In percentage)

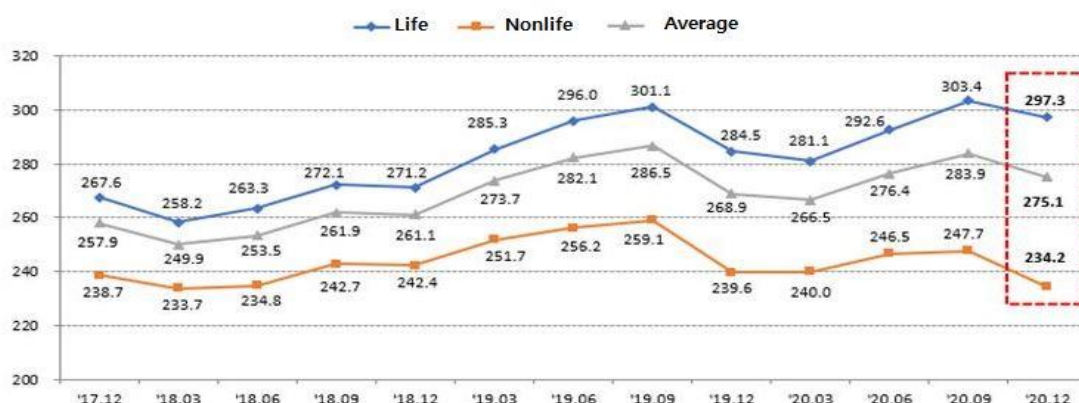


Table. Insurance Companies' RBC Ratio, December 2020

(In trillions of KRW, percentage)

	Sep 2020			Dec 2020		
	SC	SCR	Ratio	SC	SCR	Ratio
Life insurance companies	120.4	39.7	303.4	122.2	41.1	297.3
Nonlife insurance companies	53.2	21.5	247.7	52.3	22.3	234.2
Total	173.6	61.2	283.9	174.5	63.4	275.1

As of year-end 2020, other comprehensive income of the insurance companies increased KRW0.9 trillion from three months earlier because of rise in stock prices. As a result, solvency capital (SC) of the insurers grew KRW0.9 trillion from three months ago.

Meanwhile, credit risk and market risk amount increased KRW2.0 trillion in the October-to-December period as assets under management expanded. This contributed to making solvency capital requirement (SCR) of the insurance companies expand by KRW2.2 trillion from three months earlier.



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The RBC ratios of the life and nonlife insurance companies were seen at 275.1% at the end of December 2020, well above the regulatory minimum of 100% specified by the Insurance Business Act. The insurance companies will be encouraged to improve financial stability in a preemptive manner by boosting and strengthening the crisis situation analysis.

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