



## Press Release

For release at noon, March 17, 2020

### Preliminary Earnings of Insurance Companies, 2019

Insurance companies' preliminary net income for 2019 came to KRW5.3367 trillion, down KRW1.9496 trillion or 26.8% from the same period a year earlier. Net income for life insurance companies decreased KRW918.5 billion or 22.8% to KRW3.1140 trillion. Also, nonlife insurance companies' net income fell KRW1.0311 trillion or 31.7% to KRW2.2227 trillion.

When it came to the life insurers, guarantee reserves increased in 2019 in the wake of low rates and this led to a KRW782.0 billion decrease in insurance income. Furthermore, investment income shrank KRW211.5 billion from the previous year. This was because of the base effect of selling of Samsung Electronics stocks held by the life insurers in 2018. In case of nonlife insurance companies, investment income increased by KRW1.3932 trillion while insurance income plummeted by KRW2.8890 trillion because the loss ratio for auto insurance was higher than a year ago.

Table 1. Net Income of Insurance Companies, 2019\*

|  | 2018           | 2019                 |
|--|----------------|----------------------|
|  |                | (In billions of KRW) |
| Life insurance companies                 | 4,032.5        | <b>3,114.0</b>       |
| Insurance income (after policy reserves) | -23,637.8      | <b>-24,419.8</b>     |
| Investment income                        | 24,112.9       | <b>23,901.4</b>      |
| Other incomes                            | 4,873.5        | <b>4,470.8</b>       |
| Nonlife insurance companies              | 3,253.8        | <b>2,222.7</b>       |
| Insurance income                         | -3,132.1       | <b>-6,021.1</b>      |
| Investment income                        | 7,736.2        | <b>9,129.4</b>       |
| Other incomes                            | -193.1         | <b>-94.2</b>         |
| <b>Total</b>                             | <b>7,286.3</b> | <b>5,336.7</b>       |

\*The figures on 2019 are preliminary as of the release date and subject to change.

Insurance companies' premium income for 2019 totaled KRW212.7604 trillion, up KRW10.8512 trillion or 5.4% from a year ago. Of the year total, KRW117.2624 trillion came from life insurance companies, whose sales of savings-type insurance policies decreased by KRW1.9242 trillion or 5.7%. By contrast, sales of protection-type insurance products increased KRW1.7245 trillion or 4.2%. In particular, retirement pension insurance surged 46.0% while variable life insurance shrank 6.1%.



When it came to nonlife insurers, premium income came to KRW95.4980 trillion, up KRW4.4319 trillion or 4.9% from the previous year. Increases in direct written premium ranged 3.9% and 5.1% as a whole.

**Table 2. Premium Income of Insurance Companies, 2019<sup>1</sup>**

|  | (In billions of KRW) |                  |
|--|----------------------|------------------|
|  | 2018                 | 2019             |
| Life insurance companies                               | 110,843.1            | <b>117,262.4</b> |
| Protection-type insurance                              | 41,483.9             | <b>43,208.4</b>  |
| Savings-type insurance                                 | 33,652.2             | <b>31,728.0</b>  |
| Variable life insurance, retirement pension and others | 35,707.0             | <b>42,326.0</b>  |
| Nonlife insurance companies <sup>2</sup>               | 91,066.1             | <b>95,498.0</b>  |
| General insurance                                      | 50,571.5             | <b>53,097.5</b>  |
| Auto insurance <sup>3</sup>                            | 16,720.2             | <b>17,567.7</b>  |
| Long-term insurance                                    | 9,476.9              | <b>9,850.4</b>   |
| Retirement pension and others                          | 14,297.5             | <b>14,982.4</b>  |
| <b>Total</b>   | <b>201,909.2</b>     | <b>212,760.4</b> |

<sup>1</sup>The figures on 2019 are preliminary as of the release date and subject to change.

<sup>2</sup>Premium income of nonlife insurance companies was based on direct written premium.

<sup>3</sup>The figures include earnings of NH Property and Casualty Insurance (Comprehensive Farm Equipment Accident Insurance).

Overall profitability has worsened compared with the previous year. The return on assets (ROA) was seen at 0.45%, down 0.19%p from a year earlier. Furthermore, the return on equity (ROE) also declined 2.25%p, standing at 4.41%.

Aggregate assets at the end of 2019 came to KRW1238.9169 trillion, up KRW83.6781 trillion or 7.2% from the same period a year earlier. In addition, shareholders' equity also expanded KRW17.7892 trillion or 15.9% to KRW129.9865 trillion as of year-end, 2019

**Table 3. ROA and ROE of Insurance Companies, 2019**

|                             | (In percentage) |             |
|-----------------------------|-----------------|-------------|
|                             | 2018            | 2019        |
| Return on assets            | 0.64            | <b>0.45</b> |
| Life insurance companies    | 0.48            | <b>0.35</b> |
| Nonlife insurance companies | 1.13            | <b>0.72</b> |
| Return on equity            | 6.66            | <b>4.41</b> |
| Life insurance companies    | 5.55            | <b>3.87</b> |
| Nonlife insurance companies | 8.86            | <b>5.48</b> |

**Table 4. Total Assets and Shareholders' Equity of Insurance Companies, 2019**

|                             | (In billions of KRW) |                    |
|-----------------------------|----------------------|--------------------|
|                             | 2018                 | 2019               |
| Total assets                | 1,155,238.8          | <b>1,238,916.9</b> |
| Life insurance companies    | 857,198.3            | <b>918,165.6</b>   |
| Nonlife insurance companies | 298,040.5            | <b>320,751.3</b>   |
| Shareholders' equity        | 112,197.3            | <b>129,986.5</b>   |
| Life insurance companies    | 73,996.7             | <b>87,041.4</b>    |
| Nonlife insurance companies | 38,200.6             | <b>42,945.1</b>    |



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