

# Press Release

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## Insurance Companies' Risk-based Capital Ratios, March 2020

The risk-based capital ratios (actual solvency capital divided by the minimum solvency capital required) of domestic insurance companies as of end-March 2020 stood at 267.2%, down 2.4%<sub>pp</sub> from 269.6% three months earlier.

Figure. Insurance Companies' RBC Ratio

(In percentage)



Table. Insurance Companies' RBC Ratio, March 2020

(In trillions of KRW, percentage)

	Dec 2019			Mar 2020		
	SC	SCR	Ratio	SC	SCR	Ratio
Life insurance companies	107.5	37.8	284.6	104.2	37.0	281.2
Nonlife insurance companies	48.9	20.2	241.5	49.5	20.4	241.9
<b>Total</b>	<b>156.4</b>	<b>58.0</b>	<b>269.6</b>	<b>153.7</b>	<b>57.5</b>	<b>267.2</b>

In the January-to-March period of 2020, the insurance companies' other comprehensive income decreased by KRW2.7 trillion in the wake of falling stock prices. This contributed to making solvency capital (SC) of the insurers shrink KRW2.8 trillion from three months ago as a result.

Meanwhile, credit risk and market risk amount grew KRW0.5 trillion during the period, but interest rate risk decreased KRW1.3 trillion as the concept of reverse margin risk has been phased out since 2017. Accordingly, the solvency capital requirement (SCR) of the insurance companies decreased KRW0.5 trillion from three months ago.



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The RBC ratios of life and nonlife insurance companies were seen at 267.2% at the end of March 2020, well above the regulatory minimum of 100% specified by the Insurance Business Act. 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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Contact Person:

Park Mi-Kyung  
Head of Public Relations Team  
Public Affairs Department  
Financial Supervisory Service  
Tel: +82-2-3145-5803  
Fax: +82-2-3145-5808  
E-mail: [pmk620@fss.or.kr](mailto:pmk620@fss.or.kr)