

Press Release

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Insurance Companies' Risk-based Capital Ratios, June 2021

The risk-based capital ratios (actual solvency capital divided by the minimum solvency capital required) of domestic insurance companies as of end-June 2021 stood at 260.9%, up 5.0%p from 255.9% three months earlier.

Figure. Insurance Companies' RBC Ratio

(In percentage)



Table. Insurance Companies' RBC Ratio, June 2021

(In trillions of KRW, percentage)

	Mar 2021			Jun 2021		
	SC	SCR	Ratio	SC	SCR	Ratio
Life insurance companies	112.4	41.1	273.2	113.4	41.6	272.9
Nonlife insurance companies	51.0	22.7	224.7	54.0	22.6	238.9
Total	163.4	63.8	255.9	167.4	64.2	260.9

As of end-June 2021, solvency capital (SC) of the insurance companies expanded KRW4.0 trillion based on a KRW1.8 trillion of quarterly net income, a KRW1.9 trillion of subordinated debt issuance and a KRW0.5 trillion of recapitalization.

Meanwhile, insurance risk and credit risk amount increased KRW0.4 trillion and KRW0.5 trillion, respectively, from three months ago. This mainly contributed to making solvency capital requirement (SCR) of the insurers grow KRW0.4 trillion quarter on quarter.



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The RBC ratios of the life and nonlife insurance companies were seen at 260.9% at the end of June 2021, 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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