

Press Release

For release at noon, January 11, 2022

Insurance Companies' Risk-based Capital Ratios, September 2021

The risk-based capital ratios (actual solvency capital divided by the minimum solvency capital required) of domestic insurance companies as of end-September 2021 stood at 254.5%, down 6.4%p from 260.9% three months earlier.

Figure. Insurance Companies' RBC Ratio

(In percentage)

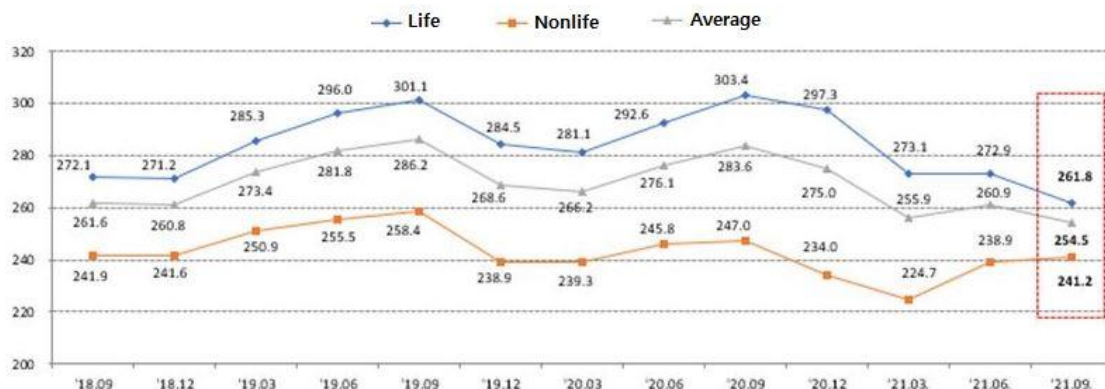


Table. Insurance Companies' RBC Ratio, September 2021

(In trillions of KRW, percentage)

	Jun 2021			Sep 2021		
	SC	SCR	Ratio	SC	SCR	Ratio
Life insurance companies	113.4	41.6	272.9	109.5	41.9	261.8
Nonlife insurance companies	54.0	22.6	238.9	55.5	23.0	241.2
Total	167.4	64.2	260.9	165.0	64.9	254.5

As of end-September 2021, solvency capital (SC) of the insurance companies decreased KRW2.4 trillion from three months ago. This was mainly because higher interest rates and falling stock prices made valuation gains of available-for-sale securities decrease by KRW3.4 trillion quarter on quarter.

Meanwhile, insurance risk and credit risk amount increased KRW0.3 trillion, respectively, from three months ago, which contributed to increasing solvency capital requirement (SCR) of the insurers by KRW0.6 trillion.



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The RBC ratios of the life and nonlife insurance companies were seen at 254.5% at the end of September 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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