

Korean Insurance Market

2024 in Review

In 2024, the Korean insurance market grew moderately year on year, primarily driven by the expansion of protection-type insurance in the life insurance sector. According to preliminary results released by the Financial Supervisory Service in March 2025, there was a double-digit increase in premiums for protection-type life insurance products. While savings-type insurance premiums recovered from a significant contraction in the previous year, retirement annuity premiums experienced an unexpectedly sharp decline.

In the non-life insurance sector, premiums for long-term and general insurance products rose solidly, whereas premiums for motor insurance decreased slightly. Contrary to earlier industry expectations, retirement annuity premiums also declined in the non-life market.

In 2024, insurance companies in Korea recorded a net income of KRW 14,144 trillion, marking a 4.6% increase from the previous year. In the life insurance sector, although underwriting performance declined due to factors such as the reinforcement of IBNR reserve requirements, investment income saw a significant improvement, supported by higher interest and dividend gains. Similarly, in the non-life insurance sector, despite pressure on underwriting results from rising motor insurance loss ratios, investment income posted a notable increase, driven by stronger returns on interest and dividends.

The profitability ratios of the insurance industry increased in 2024 compared to the prior year. While its return on assets (ROA) ratio rose by 0.03%p to 1.13%, its return on equity (ROE) ratio decreased by 1.08%p to 9.12%. Non-life insurers reported higher ratios than life insurers as follows:

ROA and ROE

		(Unit: %)		
		2023	2024	Change (p)
ROA	Life Insurers	0.60	0.63	0.03
	Non-Life Insurers	2.40	2.39	-0.01
	Total	1.10	1.13	0.03
ROE	Life Insurers	5.02	6.03	1.01
	Non-Life Insurers	13.05	13.81	0.76
	Total	8.04	9.12	1.08

(Source: Financial Supervisory Service, March 2025)

As of the end of December 2024, the total assets of insurance companies stood at KRW 1,273.2 trillion, up KRW 47.0 trillion from the previous year. The total assets are broken down into KRW 905.5 trillion for life insurance and KRW 367.7 trillion for non-life insurance.

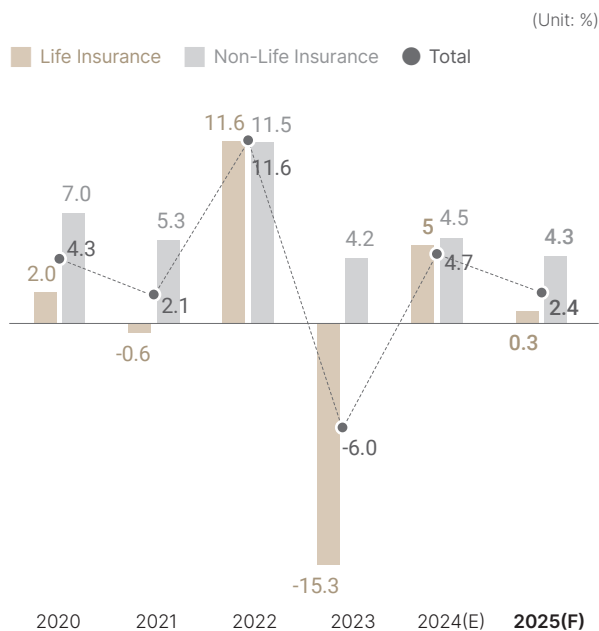
Shareholders' equity of insurance companies stood at KRW 142.1 trillion, representing a decrease of KRW 26 trillion from the end of the previous year, mainly due to a larger increase in total liabilities compared to total assets.

Prospects for 2025

The insurance market in Korea is anticipated to grow by 2.4% in 2025, following a -6.0% growth in 2023 and a 4.7% growth in 2024. According to an outlook report released by the Korea Insurance Research Institute in October 2024, the total premiums are forecast to reach KRW 254.7 trillion. The total premiums for life insurance in 2025 are expected to be similar to 2024, increasing by KRW 0.3 trillion to KRW 118.3 trillion. On the other hand, the total premiums for non-life insurance in 2025 are expected to rise by KRW 5.5 trillion, reaching KRW 136.3 trillion, up from KRW 130.8 trillion in 2024.

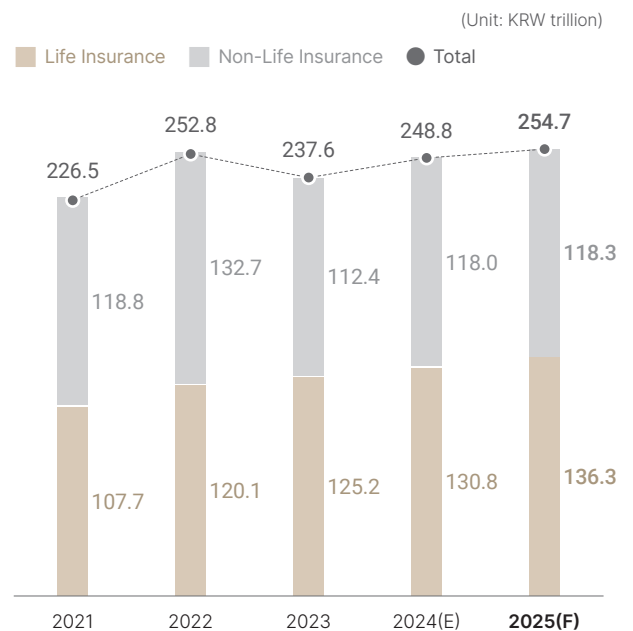
In 2025, the growth of the Contractual Service Margin (CSM) is expected to moderate for both life and non-life insurers, primarily due to a slowdown in new business sales. The CSM for life insurance is projected to reach KRW 60.5 trillion, representing a modest increase of 0.5% from the previous year, while the CSM for non-life insurance is forecast to rise by 3.0% year on year to KRW 69.7 trillion. However, these projections are subject to significant variability depending on key assumptions such as new business growth, new business CSM multiples, and policyholder retention rates. Scenario analysis reflecting these variables suggests that, whether pessimistic or optimistic assumptions, the life insurance CSM could range from KRW 55.1 trillion to KRW 66.8 trillion, and the non-life insurance CSM could vary between KRW 65.0 trillion and KRW 75.1 trillion.

Korean Insurance Market Growth Rates



(Source: Korea Insurance Research Institute, October 2024)

Trends of Premium Income



(Source: Korea Insurance Research Institute, October 2024)

Life Insurance

The life insurance market is projected to grow by 0.3% (KRW 0.3 trillion) in 2025, reaching KRW 118.3 trillion compared to 2024.

The protection-type insurance sector is expected to expand by 3.3%, rising from KRW 53.5 trillion in 2024 to KRW 55.3 trillion in 2025, driven by the sustained dominance of health insurance. In contrast, savings-type insurance is forecast to decline by 7.8%, dropping from KRW 27.7 trillion in 2024 to KRW 25.7 trillion in 2025, primarily due to weakened sales of lump-sum annuity products amid falling interest rates.

While variable life insurance is expected to see new sales momentum from a recovering stock market, it is unlikely to offset its overall downward trend, with a projected decline of 13.0% from KRW 11.6 trillion in 2024 to KRW 10.1 trillion in 2025.

Meanwhile, the retirement pension segment is forecast to grow by 8.4%, increasing from KRW 24.4 trillion in 2024 to KRW 26.5 trillion in 2025, fueled by rising demand for pension products, the expansion of the IRP market, and favorable policy measures.

Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2022		2023		2024 (E)		2025 (F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	132.7	11.6	112.4	-15.3	118.0	5.0	118.3	0.3
Protection	46.5	5.0	48.0	3.2	53.5	11.5	55.3	3.3
Savings	45.1	40.9	27.9	-38.1	27.7	-0.8	25.7	-7.3
Others*	0.8	0.7	0.8	-1.7	0.7	-1.9	0.7	-0.6
Variable	12.7	-29.0	12.2	-4.0	11.6	-4.9	10.1	-12.7
Retirement annuity	27.5	15.5	23.5	-14.7	24.4	3.9	26.5	8.4
Total (excluding retirement annuity)	105.1	10.7	88.9	-15.4	93.6	5.3	91.9	-1.8

* Others include group life insurance. Individual figures may not add up to the total shown due to rounding.

(Source: Korea Insurance Research Institute, October 2024)

Non-Life Insurance

The non-life insurance market in 2025 is expected to grow by 4.3% (KRW 5.5 trillion) compared to 2024, reaching KRW 136.3 trillion.

Long-term non-life insurance is projected to see moderate growth, primarily driven by accident and health insurance, with an expected increase of 5.2%, rising from KRW 67.9 trillion in 2024 to KRW 71.4 trillion in 2025. Meanwhile, assuming there are no adjustments in premiums, the motor insurance market is anticipated to continue its slow growth, with a projected 0.5% increase from KRW 20.9 trillion in 2024 to KRW 21.0 trillion in 2025.

General P&C insurance is forecast to grow by 5.7%, from KRW 14.9 trillion in 2024 to KRW 15.8 trillion in 2025, supported by steady growth in fire insurance and strong growth in marine and specialty insurance.

■ Non-Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2022		2023		2024 (E)		2025 (F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	120.1	11.5	125.2	4.2	130.8	4.5	136.3	4.3
Long-Term	61.8	5.0	64.3	4.0	67.9	5.6	71.4	5.2
Individual annuity	2.2	-15.9	1.9	-10.7	1.7	-12.1	1.5	-9.5
Motor	20.8	2.4	21.1	1.4	20.9	-1.1	21.0	0.3
General P&C	12.8	10.0	13.9	8.5	14.9	7.6	15.8	5.7
Retirement annuity	22.5	57.4	24.0	6.6	25.4	5.8	26.7	5.1
Total (excluding retirement annuity)	97.6	4.5	101.2	3.7	105.4	4.2	109.7	4.1

* Individual figures may not add up to the total shown due to rounding.

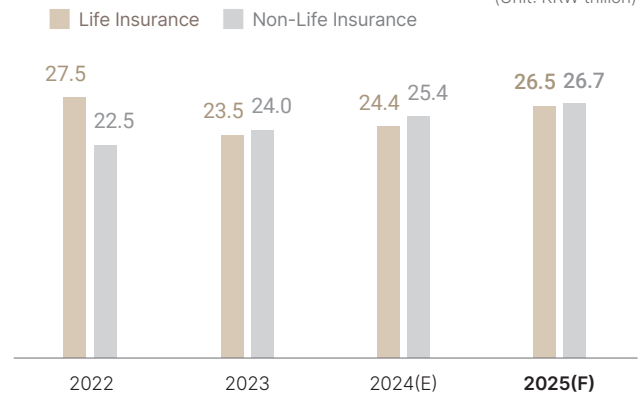
(Source: Korea Insurance Research Institute, October 2024)

Retirement Annuity

The volume of retirement annuity premiums in the insurance industry has steadily increased, driven by rising demand for retirement income security, the expansion of the Individual Retirement Pension (IRP) market, and supportive policy measures. In the non-life sector, retirement annuity premiums are expected to rise by 5.1% from KRW 25.4 trillion in 2024 to KRW 26.7 trillion in 2025, while life insurers are projected to see an 8.4% jump to KRW 26.5 trillion in 2025. As of 2023, total retirement annuity reserves amounted to KRW 382.4 trillion, with banks accounting for 51.8%, financial investment firms 22.7%, life insurers 20.5%, and non-life insurers 3.9%, indicating a relatively small share for the insurance industry.

■ Retirement Annuity Premiums

(Unit: KRW trillion)



(Source: Korea Insurance Research Institute, October 2024)