

## FSC CHAIRMAN EMPHASIZES CONSUMER PROTECTION AND DISCUSSES ROLE OF INSURANCE BUSINESS

FSC Chairman Koh Seungbeom held a meeting with the heads of insurance companies and relevant officials on November 3 and discussed the role of insurance business and importance of consumer protection.

### **CHAIRMAN'S REMARKS**

Rapid changes taking place in the structure of demographics, rising interest rates, digital transformation and spread of platform businesses are demanding innovation from the insurance industry. In order to build a foundation for the future of the industry, it is necessary to look at the scope of insurance coverages, the sales and payout process and so on.

To help promote further development of the insurance industry, the authorities provide support in the following areas. First, the authorities will provide active support for insurance companies to help strengthen the function private-sector safety net in response to demographic change. The authorities will set up a public-private joint consultative body to formulate measures for improving the indemnity health insurance system. To preemptively respond to newly emerging risks, such as the spread of infectious disease, the government will enhance inter-agency coordination to promote insurance on transmissible diseases. In addition, the authorities will look into ways to strengthen the role of pension insurance to address rapid demographic changes.

Second, the government will support diversification of insurance business and their organizational models to help insurers better cope with the changing environment. Specific measures will be prepared to ease the current licensing rules to reflect diversification of consumer needs and insurance products. While continuing to work on introducing small-sum and short-term insurance products, the authorities will allow insurers to assume other related business areas that are deemed to be essential for operating new business, such as a platform-based health care-related service offering.

Third, the government will support digital innovation of insurance business to promote development of health care-related platform services. The authorities will provide standards for registering health care-related platform business as a subsidiary while promoting investment through joint venture firms. The authorities will also look into ways to allow insurance companies to participate in the open banking and MyPayment systems.

The government's support for insurance business should be provided under the condition of well-established consumer protections and consumer trust. In this regard, the authorities will continue to work on the enforcement of the Financial Consumer Protection Act to stamp out mis-selling and unfair sales practices. The authorities will also work to promote competition between platform businesses to prevent consumer harm that may be generated from monopolistic market activities.

The government will maintain strong communication with the insurance industry to continue to work on policy improvements.

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