

FSC PLANS TO PROMOTE ROLE OF INSURERS IN HEALTHCARE INDUSTRY

The FSC announced its plans to expand the role of insurance businesses in the provision of non-medical healthcare services on December 16. The FSC will work to improve relevant regulations through consultative body meetings on digital finance and by setting up a taskforce to prepare more detailed plans in the first half of 2021.

BACKGROUND

Healthcare and insurance share a common denominator in offering security to individuals, although the functional linkage between the two has been severed due to restrictions in regulation and limitations in technology. However, with the advancement of technologies in the areas of Internet-of-Things, big data and platforms, a convergence between healthcare and insurance services is increasingly becoming available. Amid an aging society and higher prevalence of chronic diseases, the newly emerging healthcare industry has received growing attention. As such, the FSC plans to pursue a mid- to long-term strategy of promoting the role of insurers in the provision of non-medical healthcare services, which will contribute to the overall improvement in the healthcare system.

KEY MEASURES

I. ALLOW INSURERS TO PROVIDE HEALTHCARE SERVICES TO GENERAL PUBLIC

Currently, insurance companies are allowed to provide non-medical healthcare services only to their own coverage subscribers, such as personal health data management and fitness assistance platform services, as indicated by the guidelines issued by the Ministry of Health and Welfare. This service provision will be extended to the general public with the expectation of promoting diversity and quality of healthcare services while lowering insurance premiums in the long run.

II. IMPROVE RULES ON SUBSIDIARIES FOR INSURANCE BUSINESSES

Currently, insurance companies are permitted to own shares of subsidiaries in the areas prescribed by the Enforcement Decree of the Insurance Business Act. However, due to a lack of specific provisions, there exist legal uncertainties with respect to whether insurers are allowed to own subsidiaries in some of the newly emerging sectors, including healthcare and MyData. In addition, there is a problem of redundancy in the approval process. To address this issue, the FSC plans to

revise the enforcement decree to clearly indicate that insurers are able to own shares of subsidiaries in the healthcare and MyData sectors while removing the burden of having to get dual approval in order to promote insurance companies' investment in the healthcare industry and to enable provision of more dynamic services using MyData.

III. PROMOTE HEALTH INSURANCE PLANS INCENTIVIZING HEALTHIER LIFESTYLE

Currently, the health enhancement insurance plans that provide incentives for healthier lifestyle are under the purview of the relevant administrative guideline, which details the specific purpose, types of benefits, benefit payment standards, etc. As the operating period of the administrative guideline has expired, the authorities decided to extend it for one year until December 7, 2021. In addition, the FSC plans to put some of the key details of the guideline into legislation in order to provide a clarification of legal grounds while promoting the development of new insurance plans and improving consumer protection.

IV. ALLOW INSURANCE BUSINESSES TO ACCESS PUBLIC INFORMATION SHARING SYSTEM

Unlike some of the other financial institutions, such as banks, savings banks and credit card companies, insurance businesses are currently barred from accessing the public information sharing system. As a result, consumers face the burden of having to submit copies of their resident registration and passbook to insurers. To improve convenience, the FSC plans to revise the relevant enforcement decree to establish a legal ground that allows insurance businesses to access the public information sharing system. This will promote the acceleration of digital transition for insurance businesses and remove inconvenience for consumers.

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