

AIA

KOREA

Factsheet



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AIA Korea Unique Selling Points / Added Value Services

- High Sum assured (Death/ Disability) for MNCs
- Simple Underwriting Process (NEL) for MNCs
- Wide range of benefits & Packaged Product for SMEs
- Provide clients with 'Joint Plans' between AIA and Non-life insurer



AIA Korea has been serving customers in Korea since 1987, enjoying strong support from customers and growth in operations as well as in assets. AIA Korea has significantly contributed to the development of the Korean insurance sector by introducing a variety of advanced insurance techniques such as Agency system and direct telemarketing channels. It provided the first foreign currency Fixed Annuity (FA) product through the bancassurance channel in the Korea market.

Our comprehensive range of employee benefits and group insurance solutions include Group Term Life, Death, Disability, Illness and Medical.



HEALTHIER, LONGER,
BETTER LIVES

AIA Korea Corporate Solutions Product Suite

Product	Benefits	Type		Typical Benefits
		Core	Voluntary	
Base plan	Term Life (Accidental & Natural Death)	○	-	-
	Accidental Death	○	-	2 X Annual Salary
Main Rider Related with Death	Accidental Death Rider	○	-	-
	Natural Death Rider	○	-	2 X Annual Salary
Main Rider Related with Disability	Accidental Injury Rider	○	-	2 X Annual Salary
	Group Permanent Traumatic Disability Rider	○	-	2 X Annual Salary
Main Riders Related with Illness	Diagnosis of Cancer Rider	○	-	KRW 10,000,000
	Group 2 critical Illness Rider	○	-	KRW 10,000,000
Main Riders Related with Medical	Accidental Fracture Rider	○	-	-
	Group Health In-patient Hospitalisation Rider	○	-	-
	Group Surgical Operation Rider	○	-	Type 1 surgery: KRW 100,000- Type 5 surgery : KRW 5,000,000
	Group Nurse & Care Rider	○	-	KRW 30,000 per day

Remarks:

Core = Benefits paid by employer

Voluntary = Optional benefits paid by employee

Social Security Benefits¹

Type of Programme	Contributions		Typical Benefits
	Employer	Employee	
National pension Plan	4.5%	4.5%	Old-age pension, disability pension, Survivor pension, Lump-sum refund
National Health Insurance	3.12%	3.12%	<p>Monthly Average Wage X contribution rate (6.07%)</p> <p>Service benefits: health care benefits, health check-ups, Cancer programme</p> <p>Pap-test: NHIC pays 100% of the total examination fee</p> <p>Cash Benefits: refund allowance for health care, compensation for excessive co-payment, appliance expenses for the disabled</p> <p>Co-payment benefit</p>
Long term care insurance	7.38%	7.38%	<p>Monthly National Health Insurance x Contribution rate (13.1%)</p> <p>1) In Home services</p> <p>2) Aged care facility</p> <p>3) Special cash benefits</p>
Employee Insurance	Employment stability vocational training and education programme: 0.25- 0.85%	unemployment benefit: 0.9%	Employment Insurance Provides unemployment allowances and promotes the “structural adjustment” of industries, unemployment prevention, job security activities, and vocational training for employees. All workplaces with one or more employees are required to comply with this programme. Temporary and hourly employees are also covered in this programme
Industrial Accident compensation Insurance	Paid by Employer		<p>Principle of “liability without fault” applies. Thus, employers are responsible for industrial accidents of their employees without regard to presence of intention/fault of the employers. Basically, premiums for funding of the insurance programme shall be borne by employers. Industrial Accident Insurance does not provide coverage for total losses from accidents. Instead, it adopts a fixed rate compensation method based upon average payroll.</p>

Remarks:

1. Employee Benefits Related

Taxation

Taxation questions	To the Employer	To the Employee
Social Security		
Are the employer contributions to social security tax deductible?	Yes	
Are the employee contributions to social security tax deductible?		Yes
Retirement Benefits		
Are employer contributions assessable as income?	N/A	N/A
Insurance Premiums		
Are premiums paid by an employer tax deductible?	Yes	
Are premiums paid by an employee tax deductible?		Yes
Are premiums paid by an employee assessable as income?		No

*Basic facts about Korea

Population	51million	Foreign Reserve	US \$443 billion
Currency	South Korean Won (KRW)	Economic Growth Rate	2.1%
Exchange Rate	US \$1 = KRW \$1,100 ¹	Employment Rate	59.1%
GDP per Capita (PPP)	US \$48,657	Unemployment Rate	4.1%

Remarks:

* Information based on Jan 2021

Source: Bank of Korea (BOK)