

To: Mr. Kim Sung Yeol, Director General for International Trade
Ministry of Trade, Industry and Energy

Date: 01 February 2022

Subject: Follow-up on Insurance Policyholder Forms and Provision of Personal Information

Dear Director General,

Thank you for your continued support of the insurance industry and our companies especially those insurers and reinsurers engaged in Korea. We are profoundly aware that good regulation is essential for the health of the industry, the protection of our customers, and the protection of insurance policyholders and good companies from those that would seek to cut corners.

This is a follow up to our letter of 15 September 2021 (attached for your reference) which was previously addressed to both the Ministry of Trade, Industry and Energy as well as the Financial Services Commission. We have not yet received a reply and our member organisations, and their member companies continue to seek guidance on the inquiries set out in that letter. Further, we understand that additional changes have been made to the standard consent form that insurance policyholders complete and give to the insurance company at the time that an insurance contract is underwritten and concluded that allows the insurance company to use and share their personal information for purposes of performing the insurance contract. As a reference, please see the attached form and its English translation.

In addition to the questions in our original letter of 15 September 2021, we have specific questions about the changes made in the most recently revised insurance policyholder consent form:

- Is the form intended to permit a reinsurer branch to transfer personal information to its affiliates, including but not limited to its home office? Is that change applicable to in-force (i.e., retroactive) policies?
- The form now specifically mentions “retrocessions”. As you know, reinsurers frequently enter into retrocession agreements with other reinsurers, including through retrocession pools, around the world for various reasons, including risk management. Are these changes to the revised insurance policyholder consent form automatically applicable to in-force policies?
- Could the reinsurer change to a different retrocessionaire if, for example, the credit rating of the retrocessionaire were lowered? What about changes in the membership of a retrocession pool?
- Could a local reinsurer in Korea store personal information (subject to compliance with all applicable laws) with a third-party vendor in an offshore location for purposes of back-up storage purposes? Could the reinsurer change the vendor if a problem with the original vendor developed?

- Could the reinsurer and its retrocessionaire use the personal information for the purpose of compliance with laws in the jurisdiction of the transferee, for example, “know your customer” laws?

Finally, as noted in our 15 September letter, we have been advised that Korea plans for the changes to the ability of local reinsurers in Korea to transfer data offshore to be effective for in-force policies as well as new policies entered into after the change in policy. Please advise how that will be implemented.

Thank you for your attention and answers to these questions and the questions in our 15 September letter. We look forward to hearing from you and working with you in the future.

Respectfully,



Brad Smith
Chair of the GFIA Trade Working Group (bradsmith@acli.com)

About GFIA

The Global Federation of Insurance Associations (GFIA), established in October 2012, represents through its 43 member associations and 1 observer associations the interests of insurers and reinsurers in 66 countries. These companies account for 89% of total insurance premiums worldwide, amounting to more than \$4 trillion. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.