

Regulating and reforming the insurance industry to combat climate change and accelerate implementation of the 2030 Agenda for Sustainable Development

INNOVATIVE CLIMATE-RELATED INSURANCE CITIZEN SAFETY INSURANCE IN KOREA

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Introduction to Citizen Safety Insurance

- Overview of Citizen Safety Insurance
 - A government-backed insurance program designed to provide financial support to residents of Seoul affected by various disasters and accidents.



- Objective
 - To mitigate the financial impact on citizens from unforeseen natural and social disasters.

Historical Context and Evolution

■ Introduction Date

- Launched in January 2020 by the city of Seoul.

■ Upgrades

- Major updates in 2022 and 2023 to enhance coverage and benefits reflecting the increasing frequency and intensity of natural disasters and urban accidents.
- This is a critical example of climate-reactive adaptation of insurance products



■ Purpose of Upgrades

- To address the evolving needs of Seoul's residents and to incorporate feedback from the community and stakeholders.

Eligibility and Enrollment

- **Automatic Enrollment**

- Details on how every registered resident of Seoul, including foreign nationals, is automatically covered, emphasizing inclusiveness.

- **Insurance Support**

- Through this programme, residents affected by natural disasters or accidents could initially receive up to 10 million won from an insurance company contracted by the city.

- **List of Covered Disasters**

- Typhoons, floods, heavy snow, yellow dust storms, earthquakes.

- **List of Covered Accidents**

- Urban-specific issues such as robberies, building collapses, explosions, fires, and traffic accidents.

- **Importance of Comprehensive Coverage**

- Discussion on the lack of need for residents to actively enroll or pay upfront, reducing barriers to access

Scope of Coverage

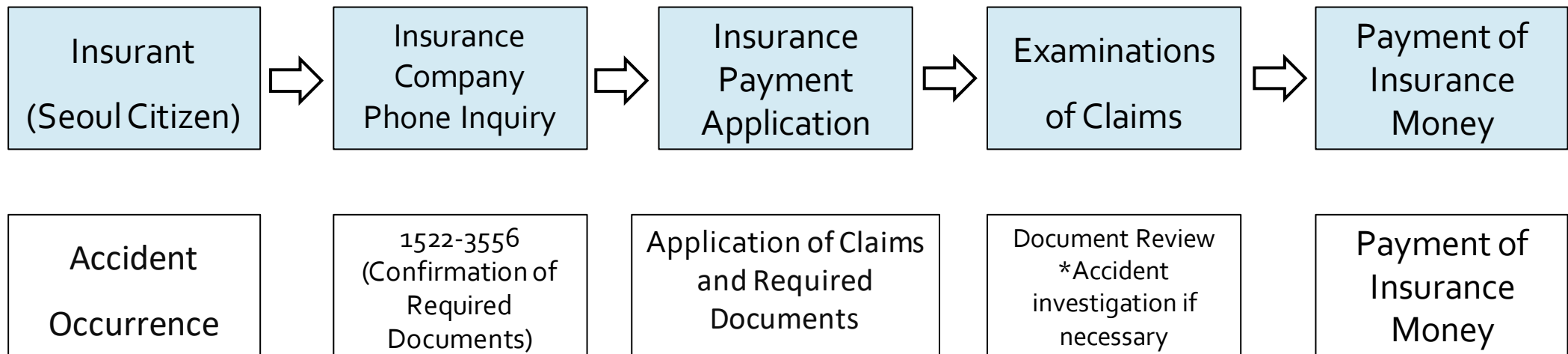
Category		Coverage	Insurance Money
Death caused by natural disasters		Death caused by natural disasters (typhoon, flood, earthquake, heavy snow, gale, yellow dust, etc.), heatstroke, or sunstroke	KRW 10 million
Accidents like an explosion, fire, building collapsing, landslide	Death	Death caused by an explosion, rupture, fire (including lightning), collapse or sinking of a building or structure (including those in course of construction), or landslide	KRW 10 million
	Permanent disability	Permanent disability caused by an explosion, rupture, fire (including lightning), collapse or sinking of a building or structure (including those in course of construction), or landslide	Up to KRW 10 million
Accidents while using public transportation	Death	Death caused by an accident aboard public transportation, getting on or off public transportation, or waiting on a platform to use public transportation	KRW 10 million
	Permanent disability	Permanent disability caused by an accident aboard public transportation, getting on or off public transportation, or waiting on a platform to use public transportation	Up to KRW 10 million
Robbery	Death	Death caused by a robbery	KRW 10 million
	Permanent disability	Permanent disability caused by a robbery	Up to KRW 10 million
Treatment fee for injuries caused by traffic accidents in a school zone		An individual under 12 years of age injured in a traffic accident aboard or not aboard a vehicle in a school zone (injury severity 1-5)	KRW 10 million

Enhanced Compensation

- Compensation initially up to 10 million won.
- In 2022, the coverage amount was increased to 20 million won (in the case of death) in the event of death to further support families affected by tragedies.

Insurance Claim and Payment Process

[Citizen Safety Insurance Payment Procedures]



* Inquire and claim insurance money from NONGHYUP PROPERTY & CASUALTY INSURANCE(1644-9666) in case of accidents in 2021, and Local Finance Association(1577-5939) in case of accidents in 2022

Claiming Process

■ Timeframe for Claims

- Claims must be submitted within three years from the date of the event or diagnosis of after-effects, offering flexibility to victims and their families.

■ Processing Entity

- Claims are processed by the Local Finance Association.
- Victims or legal heirs can submit the insurance claim and required documents to the Local Finance Association.

2024년 서울시민안전보험은?

- 보험료** 서울시에서 전액 부담
- 피보험자** 서울시에 주민등록을 둔 모든 시민 (등록외국인 포함)
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■ Payment and Notifications

- Insurance money is typically disbursed within four weeks of the date the documents are received, and a notification text message is sent upon document receipt and when insurance payment is decided.

Citizen Safety Insurance Payout Performance

(단위: 1000 won)

Category	# of accidents	Amount of payment	2020		2021		2022		2023		2024	
			# of accidents	Amount	# of accidents	Amount	# of accidents	Amount	# of accidents	Amount	# of accidents	Amount
Total	308	2,274,955	44	352,270	75	385,371	79	640,609	103	810,157	7	86,548
Fire and explosion deaths	107	1,344,210	27	270,569	30	251,508	28	478,800	19	343,333	3	-
Fire and explosion aftereffects	26	227,405	1	5,501	9	36,013	8	44,891	8	81,000	-	60,000
Public transportation death	6	110,000	1	10,000	-	-	-	-	5	10,000	-	-
Public transportation aftereffects	140	376,822	12	36,200	32	57,850	42	106,200	52	170,124	2	6,448
Natural disaster death	9	110,718	2	20,000	2	20,000	1	10,718	3	60,000	1	-
Natural disaster after effects	-	20,000	-	-	-	-	-	-	-	-	-	20,000
Social disaster	2	40,000	-	-	-	-	-	-	2	40,000	-	-
School zone traffic accident	18	45,800	1	10,000	2	20,000	-	-	14	15,700	1	100

Replication and Expansion

- **Model Replication**

Insurance coverage items and amounts vary by local government, recent trends show that many cities are expanding the coverage of citizen safety insurance.

- **Gimpo & Ansan**

- In February 2023, the city of Gimpo added coverage for medical expenses and death related to natural and social disasters.
- The city of Ansan expanded coverage to include injury, disability and death benefits for social disasters, natural disasters and crowd-related accidents.

- **2023 Updates**

- Highlight the introduction of disability benefits for heat-related illnesses, including heat strokes, in response to frequent heatwaves, showing proactive adaptation to climate change.
- In August 2023, owing to successive heat waves, Seoul expanded coverage by introducing disability benefits for heat-related illnesses and heat strokes to establish a social safety net for heatwaves.

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마음이 모이면 서울이 됩니다

Seoul's Citizen Safety Insurance
exemplifies innovative and
effective management
of climate-related risks
through
insurance mechanisms.