

Best's Credit Rating Effective Date

July 18, 2025

Analytical Contacts

Seokjae Lee
Senior Financial Analyst
Seokjae.Lee@ambest.com
+852 2827 3407

Chanyoung Lee
Director-Analytics
Chanyoung.Lee@ambest.com
+852 2827 3404

Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

DB Insurance Co., Ltd.

AMB #: 094051 | **AIIN #:** AA-5424100

Associated Ultimate Parent: AMB # 087968 - DB Insurance Co., Ltd.

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

<h1>A+</h1> <h2>Superior</h2>
<p>Outlook: Stable Action: Affirmed</p>

Issuer Credit Rating (ICR)

<h1>aa-</h1> <h2>Superior</h2>
<p>Outlook: Stable Action: Affirmed</p>

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Strong
Business Profile	Favorable
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: DB Insurance Co., Ltd. | **AMB #:** 094051

AMB # Rating Unit Members
087968 DB Insurance Co., Ltd.

Rating Rationale

Balance Sheet Strength: **Very Strong**

- The risk-adjusted capitalisation of DB Insurance Company, Limited (DBI), is assessed at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR).
- DBI's strong capability of internal capital generation and tight asset-liability management (ALM) allow the company's capital to stay resilient to an unfavourable business environment, such as interest rate movements.
- DBI has a relatively low dependency on supplementary capital securities such as hybrid bonds and subordinated bonds given its strong capital position, as demonstrated by its low debt leverage ratio, while having favourable financial flexibility as a public company.
- The company's investment strategy is viewed to be prudent with a focus on ALM by placing a majority of its investment portfolio in high-quality fixed-income assets.

Operating Performance: **Strong**

- Operating performance is assessed to be strong, underpinned by its underwriting performance that outperforms its domestic peers, as demonstrated by the continued relatively low combined ratio and stable investment income.
- DBI is expected to benefit from its solid growth in contractual service margin supported by the favourable new business margin of its long-term insurance line, which will provide the company with a stable source of underwriting income in future years.
- AM Best expects the company's auto line to remain profitable despite the cumulative effect of prior rate cuts and inflation on repair costs, while its recently increasing volatility in the general P&C line from overseas natural catastrophe events is expected to remain manageable following various initiatives to reduce natural catastrophe risk exposures in the US.
- Investment income, which is largely composed of stable interest income from the fixed-income portfolio, continued to support the bottom line with robust investment assets.

Business Profile: **Favorable**

- DBI ranked second in South Korea's non-life insurance segment in 2024, with a market share of about 19% in terms of gross insurance service revenue.
- The company benefits from a strong brand in its domestic market and its diversified product offerings, including the long-term, auto, and general insurance. Its profile is further enhanced by the life insurance business through its subsidiary, DB Life Insurance Company, Limited.
- DBI is one of the leading insurers in digital innovation initiatives in its domestic market. The company has widely adopted artificial intelligence to strengthen its business value chain and automate processes for marketing, underwriting, claims processing and customer service.
- While the company has a limited presence outside of its domestic market, it has been cautiously seeking inorganic growth opportunities in the overseas market including the recent acquisition of two non-life insurers in Vietnam in 2024.

Enterprise Risk Management: **Appropriate**

- DBI's enterprise risk management is viewed as appropriate for its risk profile, supported by a well-developed risk framework and prudent risk management capabilities.
- DBI benefits from its group risk management council to support informed risk-taking and capital allocation for more efficient management of the consolidated risks of the company and its subsidiaries.
- To maintain a sound K-ICS ratio, the company has been strengthening its risk management system by establishing appropriate risk management indicators based on K-ICS and sophisticating its ALM strategy.

Outlook

- The stable outlooks reflect AM Best's expectation that DBI will maintain a balance sheet assessment in the very strong range over the medium term, supported by strong internal capital generation and prudent asset-liability management. Its operating performance is also expected to remain strong over the intermediate term, supported by its competitive underwriting performance and stable investment income.

Rating Drivers

- Negative rating actions could occur if there is a significant deterioration in the balance sheet strength fundamentals of DB Insurance Company, Limited (DBI).
- Negative rating actions could occur if the company shows a sustained deterioration in its operating performance to a level that no longer supports the current strong assessment.
- Although unlikely in the medium term, positive rating actions could occur if the company demonstrates unquestionable market leadership position with high brand recognition in both domestic and overseas markets.

Key Financial Indicators

AM Best may recategorize company-reported data to reflect broader international reporting standards and increase global comparability.

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	80.2	71.7	68.1	67.0

Source: Best's Capital Adequacy Ratio Model - Global

Key Financial Indicators	2024 - IFRS 17 KRW (000,000)	2023 - IFRS 17 KRW (000,000)	2022 - IFRS 17 KRW (000,000)	2021 KRW (000,000)	2020 KRW (000,000)
Net Insurance Revenue:					
Life	667,358	613,298	535,775	...	...
Non-Life	14,070,012	13,119,878	12,461,465	...	...
Composite	14,737,370	13,733,176	12,997,240	...	...
Composite – Net Premiums Written	...	...	...	15,390,577	14,431,110
Net Income	1,853,216	1,742,379	2,039,482	872,920	554,497
Total Assets	66,506,135	60,040,429	57,635,178	64,751,603	60,054,421
Total Capital and Surplus	9,391,221	10,303,747	12,124,266	6,732,469	6,494,900

Source: BestLink® - Best's Financial Suite

Key Financial Indicators & Ratios	2024 - IFRS 17 KRW (000,000)	2023 - IFRS 17 KRW (000,000)	2022 - IFRS 17 KRW (000,000)	2021 KRW (000,000)	2020 KRW (000,000)
Profitability:					
Life (Re)Insurance and Investment Result	124,693	101,042	116,354	...	...
Non-Life (Re)Insurance and Investment Result	2,300,232	2,133,955	2,609,692	...	...
Net Income Return on Net Insurance Revenue (%)	12.6	12.7	15.7	...	...
Net Income Return on Capital and Surplus (%)	18.8	15.5	...	13.2	8.8
Net Investment Yield (%)	2.8	3.0	...	3.0	2.9
Leverage:					
Net Insurance Services Revenue to Capital and Surplus (%)	156.9	133.3	107.2	...	...
Net Premiums Written to Capital and Surplus (%)	...	...	...	231.7	225.3

Source: BestLink® - Best's Financial Suite

Note: Non-Life (Re)Insurance and Investment Result includes investment income. Balance on Non-Life Technical Account does not include investment income.

Credit Analysis

Balance Sheet Strength

Capitalisation

DB insurance Co., Limited's (DBI) risk-adjusted capitalisation is assessed at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), despite a decline in its reported capital.

Balance Sheet Strength (Continued...)

DBI's consolidated capital and surplus (C&S) as of year-end 2024 (YE2024) stood at KRW 9,391 billion, decreasing by 8.9% from KRW 10.3 trillion as of year-end 2023 (YE2023), due to the decline in its accumulated other comprehensive income (AOCI) during the same period although it was partially offset by strong growth in retained earnings.

In the Korean non-life industry, most of the insurers have longer durations regarding liabilities than the durations of assets, and a decline in market interest rates would result in the expansion of insurance contract liabilities by a larger extent than assets. Moreover, there was another round of discount rate cuts (including the ultimate forward rate) in 2024 in accordance with the Financial Supervisory Services' (FSS) phased plan to lower the discount rate curve. As most Korean insurers chose an approach to reflect the impact of discount rate changes in AOCI under IFRS 17, they experienced a reduction in their capital following the regulatory changes and drop in market interest rates in 2024.

Meanwhile, the company reported continued growth in its Contractual Service Margin (CSM) balance. In 2024, DBI's consolidated CSM was KRW 14.0 trillion, which is approximately 1.5 times its C&S (KRW 9.4 trillion). It expanded by 1.4% from the prior year with the company's efforts to sell long-term products with a high CSM margin. DBI's new business CSM was KRW 3.1 trillion in 2024, increasing by 8.9% from KRW 2.8 trillion in 2023. However, the growth of total CSM was constrained due to the regulator's introduction of actuarial assumption guidelines at the end of 2024 including a more conservative approach in setting the lapse ratio assumptions for no (or low) surrender policies as a key item. Of the total CSM, KRW 12.2 trillion was generated from the non-life business, while the remaining KRW 1.8 trillion was from DB Life Insurance Company (DB Life), its life subsidiary.

According to AM Best's criteria, partial equity credit can be given for net economic value of long-term insurance where the amounts are derived from a widely recognised reporting framework (such as Solvency II or IFRS 17). Subsequently, the partial recognition of net economic value of DBI's long-term insurance and DB Life's life business was applied to the available capital in DBI's risk-adjusted capitalisation.

DBI continues to demonstrate its strong capability of internal capital generation, which has provided the company with a positive distinction from its industry peers. An increase in its robust retained earnings base in 2024 from the prior year allowed the company to mitigate the impact from external factors, such as interest rate movements, and contributed to the large absolute capital base that remained bigger than most of its peers. DBI also continued tight asset-liability management (ALM) to reduce capital volatility from interest rate movements.

DBI maintains a relatively low dependency on supplementary capital securities such as hybrid bonds and subordinated debt given its strong capital position. Its adjusted debt leverage as of YE2024 was low at 4.9%. In February 2025, there were additional issuances of subordinated debt by DBI and DB Life that amounted to KRW 800 billion and KRW 300 billion, respectively, to support their solvency ratio. As a result, DBI's adjusted debt leverage increased to 12.8% as of the first quarter of 2025. Nonetheless, the company's healthy debt leverage and coverage ratios continue to support its very strong balance sheet strength assessment.

Though DBI is not a frequent issuer of supplementary capital securities compared to some of its peers, it has favourable financial flexibility as a public company, evidenced by the successful issuances of subordinated debt in the capital markets over prior years.

DBI recorded a K-ICS ratio of 203.1% as of YE2024, which decreased from 233.1% as of YE2023 mainly due to the impact of the regulator's actuarial guidelines on no (or low) surrender policies and a decline in domestic interest rates. The company's solvency ratio was also affected by DB Life's K-ICS ratio, which decreased to 208.7% from 306.7% during the same period. With the recent regulatory strengthening, changes in DB Life's solvency position poses a bigger influence on DBI's consolidated K-ICS ratio than in the past. Nonetheless, DBI's K-ICS ratio has stayed well above the minimum requirement of 100% and remains higher than the peer average.

In order to maintain its K-ICS ratio within its target range of between 200% to 220%, the company focuses on mitigating the interest rate risk by increasing its sales on products with relatively short policy durations and expanding its asset durations by utilising bond forwards. As of the first quarter of 2025, DBI's K-ICS ratio was 204.7%, meeting the regulator's recommended level of 150%. That said, AM Best notes that, effective 11 June 2025, the FSS amended the recommended solvency ratio from 150% to 130%, which the regulator concluded to be an appropriate level considering more stringent K-ICS standards than the previous RBC regime.

DBI has been steadily increasing its dividend payments with a payout ratio of 22% for fiscal year 2024 (FY2024). In February 2025, the company announced that it will increase its payout ratio gradually to 35% until 2028. That being said, AM Best expects the impact of a potentially higher shareholder return on DBI's balance sheet strength is not material given the sufficient capital buffer and strong earnings stream.

Balance Sheet Strength (Continued...)

Capital Generation Analysis	2024 - IFRS 17 KRW (000,000)	2023 - IFRS 17 KRW (000,000)	2022 - IFRS 17 KRW (000,000)	2021 KRW (000,000)	2020 KRW (000,000)
Beginning Capital and Surplus	10,303,747	12,124,267	6,732,469	6,494,899	6,145,040
Net Income	1,853,216	1,742,379	2,039,482	872,920	554,497
OCI Movement	-2,479,931	-212,313	2,194,933	...	...
Other Provisions/Reserves/Restatements	2,442	-3,041,064	1,375,269	...	...
Net Change in Life CSM	130,554	87,560	1,505,871	...	...
Net Unrealized Capital Gains (Losses)	...	...	...	-569,952	136,708
Currency Exchange Gains (Losses)	...	...	...	77,706	-53,606
Change in Equalisation and Other Reserves	...	...	...	...	46,972
Stockholder Dividends	-319,990	-278,579	-216,792	-135,536	-102,243
Other Changes in Capital and Surplus	31,737	-30,943	-1,094	-7,568	-232,469
Net Change in Capital and Surplus	-912,525	-1,820,520	5,391,798	237,570	349,859
Ending Capital and Surplus	9,391,222	10,303,747	12,124,267	6,732,469	6,494,899
Of which:					
Non-Controlling Interests in Equity	94,566	67,198	108,018	91,335	89,667
Net Change in Capital and Surplus (%)	-8.9	-15.0	80.1	3.7	5.7

Source: BestLink® - Best's Financial Suite

Liquidity Analysis (%)	2024 - IFRS 17	2023 - IFRS 17	2022 - IFRS 17	2021	2020
Liquid Assets to Adjusted Liabilities	71.8	79.9	76.8	51.7	51.7
Total Investments to Total Liabilities	109.7	112.9	120.2	90.6	92.2

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

DBI's investment strategy is viewed to be prudent with a focus on ALM and securing stable net investment income. The company's ALM capability is considered effective in managing capital volatility to interest rate movements due to its long-term insurance portfolio; the company focuses on products with relatively short policy duration, full-period premium payment, and low loss ratio, such as driver's insurance, which allows it to have a stable matching of cash inflows and outflows. In order to mitigate negative pressure on its ALM due to the FSS's phased plan of discount rate cuts and decline in market interest rates, DBI continues to invest in bond forward and long-term bonds to expand the asset durations. At the same time, DBI invests in alternative investments selectively, such as loan-type assets for higher investment yields.

As of YE2024, a majority of its investment portfolio continued to be placed in high-quality fixed-income assets; 43.4% of total investments were in bonds, 27.1% in loans, 22.5% in beneficiary certificates, 2.9% in stocks, 2.4% in real estate, and 1.7% in cash on a consolidated basis.

Composition of Cash and Invested Assets	2024 - IFRS 17 KRW (000,000)	2023 - IFRS 17 KRW (000,000)	2022 - IFRS 17 KRW (000,000)	2021 KRW (000,000)	2020 KRW (000,000)
Total Cash and Invested Assets	62,682,483	56,167,433	54,683,086	52,580,435	49,380,684
Cash (%)	2.7	2.8	2.4	1.6	1.4
Bonds (%)	59.2	65.1	59.7	54.6	53.8
Equity Securities (%)	2.6	2.2	1.5	0.9	0.9
Real Estate, Mortgages and Loans (%)	34.3	28.5	34.4	41.8	41.8
Other Invested Assets (%)	0.5	0.9	1.4	0.5	1.6
Total Cash and Unaffiliated Invested Assets (%)	99.4	99.4	99.4	99.3	99.4
Investments in Affiliates (%)	0.6	0.6	0.6	0.7	0.6
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Operating Performance

DBI's operating performance is assessed to be strong with a return on equity of 18.8% and a non-life combined ratio of 88.7% (net/net) in 2024, as calculated by AM Best.

DBI's net income was KRW 1,853 billion, which is a 6.4% increase from KRW 1,742 billion in the prior year, mainly attributed to improvements in its underwriting profits. The company's gross insurance service revenue was KRW 15.7 trillion in 2024, increasing by 7.8% from KRW 14.6 trillion in 2023 due to the expansion of long-term and general P&C businesses.

Of the total gross insurance service revenue, 54% was sourced from the long-term insurance line for DBI in 2024, followed by 27% from auto insurance, 15% from general P&C insurance, and 4% from life insurance. The long-term line of business remains a key source of the top line for Korean non-life insurers, including DBI, as long-term protection-type products generate a large amount of CSM, which is a source of future profits.

In 2024, the company's long-term insurance continued to contribute most of the total insurance service results. The combined ratio of its long-term line rose from the prior year, partially attributed to an increase in directly attributable expenses and claims during the year. With further challenges in the industry's long-term line profitability due to the regulator's strengthened actuarial guidelines on key health products, DBI is shifting to focus more on improving its profitability through various measures such as premium hikes and efficient expense management. In addition, its decrease in the medical indemnity loss ratio in 2024 was due to continued rate increases that are also expected to support the company's improvement in the long-term line's profitability.

DBI's positive distinction in the long-term line compared to most of its peers is demonstrated by its capability to generate strong new business CSM. In 2024, its new business CSM was KRW 3,078 billion, which continued to show a large gap with its peers, while also recording one of the highest new business CSM multiples, which are a measure to indicate the profitability of new business (new business CSM / monthly new business premium). Consequently, DBI holds a CSM balance of KRW 14.0 trillion as of YE2024, which is one of the largest amongst its peers. Going forward, AM Best expects that the company will benefit from its large CSM balance that will provide it with a stable source of underwriting income.

As for the auto line, the company's profitability has decreased compared to 2023. This is attributed to the weakened auto line profitability from rounds of industry-wide rate cuts over the course of prior years and increasing inflationary pressures on repair costs. Although the industry is expected to continue experiencing pressures for the short to medium term, AM Best expects DBI's auto line to remain profitable by sophisticating its underwriting process and improving its acquisition cost efficiency through the expansion of the online channel.

Its general P&C line became profitable in 2024 after experiencing underwriting losses of KRW 109 billion in 2023 when the company dealt with major claim losses from wildfires in Hawaii and a typhoon in Guam. However, it is expected to recognise net losses from wildfires in California that occurred in the beginning of 2025. With the increasing frequency of natural catastrophe events, particularly in its overseas business, DBI is taking various mitigative measures such as adjusting its overseas portfolio by reducing exposures to risky areas by implementing indicators to avoid taking risks close to high hazard zones and strengthening underwriting guidelines. That said, AM Best expects the impact from the volatility of the general P&C line on the company's overall underwriting performance to be manageable given its relatively small contribution.

Though accounting for a low single-digit percentage of DBI's consolidated gross insurance service revenue, the contribution of the life business from its life subsidiary to DBI's insurance service results increased in 2024.

DBI recorded net investment income of KRW 1,689 billion (KRW 706 billion when including net insurance finance expenses), which is similar to the prior year. The investment income, which is largely composed of stable interest income from the fixed-income portfolio, continued to support the company's earnings with robust investment assets. DBI places a priority in investing in long-term bonds for ALM purposes, while securing investment margins from alternative investments, such as loan-type investments.

Financial Performance Summary	2024 - IFRS 17 KRW (000,000)	2023 - IFRS 17 KRW (000,000)	2022 - IFRS 17 KRW (000,000)	2021 KRW (000,000)	2020 KRW (000,000)
Pre-Tax Income	2,436,992	2,255,821	2,699,575	1,175,519	742,278
Net Income excl Non-Controlling Interests	1,851,593	1,738,569	2,033,901	869,523	552,281

Source: BestLink® - Best's Financial Suite

Operating Performance (Continued...)

Operating and Performance Ratios (%)	2024 - IFRS 17	2023 - IFRS 17	2022 - IFRS 17	2021	2020
Overall Performance:					
Adjusted Return on Assets	-1.0	2.6	...	...	...
Adjusted Return on Capital and Surplus	-6.4	13.6	...	...	...
Adjusted Return on Capital and Surplus (Life CSM as Equity)	-4.7	12.9	...	...	...
Net Income Return on Capital & Surplus	18.8	15.5	...	13.2	8.8
Non-Life Performance:					
Loss and LAE Ratio (net/net)	73.1	73.1	67.9	...	...
Expense Ratio (net/net)	15.6	15.1	16.1	...	...
Non-Life Combined Ratio (net/net)	88.7	88.3	84.0	...	...
Non-Life Combined Ratio (net/gross)	89.4	88.9	84.8	...	...
Life Performance:					
Pre-tax to Net Insurance Revenue	18.7	16.5	21.7	...	...
Change in CSM	8.2	5.8	...	...	...

Source: BestLink® - Best's Financial Suite

Note: Adjusted refers to net income including other comprehensive income

Business Profile

DBI ranked second in South Korea's non-life insurance segment in 2024, with a market share of about 19% in terms of gross insurance service revenue.

The company benefits from a strong brand in its domestic market and diversified product offerings, including long-term, auto and general insurance. Its business profile is further enhanced by the life insurance business through its subsidiary, DB Life.

As previously mentioned, DBI's business is split into long-term insurance, which accounted for around 54% of gross insurance service revenue in 2024, followed by auto insurance (27%), general insurance (15%), and life insurance (4%). The long-term insurance is further diversified into various types of personal lines products with long policy durations, including health, accident, property damage and driver liability. Additionally, DB Life offers a variety of life insurance and annuity/savings products.

The favourable assessment of DBI's business profile is also supported by well-diversified distribution channels. For its long-term line, 48% of its new business premium was sourced from the general agency channel, while 40% came from the tied agent channel, and the remaining portions from other channels, such as bancassurance and the online channel.

In the auto insurance line, the non-face-to-face channels (online/telemarketing) have been expanding continuously in prior years from 37% in 2018 to 52.5% in 2024. DBI benefits from the growth of its online sales, especially for the auto line, in consideration of its low acquisition cost structure and an increasing trend in digitalisation.

DBI has a limited presence outside of its domestic market, with its total overseas business accounting for a low single-digit percentage of the company's premium base; however, there has been a gradually increasing trend. DBI has several branches in the US (i.e., Guam, Hawaii, California, New York), and it also has joint ventures with local partners in China and Vietnam. DBI has been most active in discovering opportunities in the Vietnamese market where it owns shares in three different local non-life insurers. As of YE2024, the company owned a 37% stake of Post-Telecommunication Joint Stock Insurance Corporation Vietnam in Vietnam. Furthermore, DBI acquired a 75% share in Sai Gon Ha Noi Insurance and a 75% share of Vietnam National Aviation Insurance both in 2024.

DBI is one of the leading insurers in implementing digital innovation initiatives in its domestic market. The company has been executing its digital transformation plans as part of its mid-term strategy, which focuses on expanding its customer base, generating a sustainable profit, and discovering new growth opportunities. The company has adopted a wide use of artificial intelligence to strengthen its business value chain and establish automation processes for marketing, underwriting, claims processing and customer service. DBI also invests in corporate venture capital funds to incorporate innovative technologies into its operation.

Enterprise Risk Management

DBI's enterprise risk management (ERM) is viewed as appropriate for its risk profile, supported by a well-developed risk framework and prudent risk management capabilities.

DBI's ERM structure comprises four layers: 1) the board of directors, 2) risk management (RM) committee, 3) risk management administrative committee/group RM council, and 4) RM departments (i.e., Insurance RM & ALM department, Asset RM department, and Group Consolidated RM department). DBI benefits from the group's RM council, which was set up in 2018 to support informed risk-taking and capital allocations for more efficient management of its consolidated risks.

DBI monitors seven types of risks (i.e., long-term/life insurance, general/auto insurance, interest rate, market, credit, operational, and subsidiaries risk). Risk limits are set for each type of risk, and capital levels are managed accordingly. Risk limits are also set for its overseas operations, while the RM department at headquarters monitors their respective investments.

In order to maintain a sound K-ICS ratio, DBI has been strengthening its risk management system through initiatives such as formulating insurance risk limit guidelines, establishing appropriate risk management indicators based on K-ICS, and making its ALM strategy more sophisticated. As K-ICS requires a more detailed breakdown of required capital compared to the previous RBC regime, DBI performs periodic analyses to enhance stability of the K-ICS ratio.

The company also sets tight minimum required K-ICS ratios for different scenarios, such as stressed scenarios and setting up an adequate dividend policy, to secure its competitive position in capital adequacy compared with its peers.

Reinsurance Summary

DBI's overall non-life net retention ratio remained stable at 93.6% in 2024, while the net retention ratio for the general P&C insurance line was 66.2% in the same year. It has a comprehensive reinsurance scheme to protect its capital from tail risks and reduce earnings volatility.

Its reinsurance structure covers natural catastrophe losses of up to a 1-in-500-year event for its domestic business and a 1-in-100-year event for overseas (US) business. Overall, its natural catastrophe risk tolerance is low; the company is in the process of reducing its natural catastrophe exposure materially after the wildfire losses from Hawaii and California in recent years. DBI's net PML (1-in-250-year) to C&S is less than 5%. Its reinsurance panel is well diversified and composed of highly rated reinsurers.

Environmental, Social & Governance

AM Best considers the company's exposure to material environmental, social and corporate governance (ESG) risks to be low. Most of the company's business is in South Korea, which has low exposure to natural catastrophe risks. Its profile with regard to underwriting and investments is not exposed to so-called toxic assets and industries. The company largely operates in line with market peers, and at present, ESG factors are unlikely to impact the credit quality of the company over the short term.

Financial Statements

	1/1/2025		1/1/2025	
	IFRS 17		IFRS 17	
Balance Sheet	KRW (000,000)	%	USD (000,000)	
Cash and Short Term Investments	1,721,862	2.6	1,171	
Bonds	37,118,855	55.8	25,241	
Equity Securities	1,638,696	2.5	1,114	
Other Invested Assets	22,203,070	33.4	15,098	
Total Cash and Invested Assets	62,682,483	94.3	42,624	
Reinsurance Held Contract Assets	1,552,927	2.3	1,056	
Reinsurance Held Contract Assets, Net of Liabilities	1,503,040	...	1,022	
Insurance Contract Assets	693,051	1.0	471	
Debtors/Amounts Receivable	406,236	0.6	276	
Other Assets	1,171,438	1.8	797	
Total Assets	66,506,135	100.0	45,224	
Insurance Contract Liabilities	40,917,249	61.5	27,824	
Insurance Contract Liabilities, Net of Assets:				
Non-Life – Liability for Remaining Coverage	26,386,412	...	17,943	
Non-Life – Liability for Incurred Claims	5,142,364	...	3,497	
Non-Life – Risk Adjustment	2,087,356	...	1,419	
Life – Liability for (Re)Insurance Contracts	8,695,422	...	5,913	
Life – CSM	1,770,486	...	1,204	
Life – Risk Adjustment	308,287	...	210	
Investment Contract Liabilities	9,921,254	14.9	6,746	
Total Insurance and Investment Contract Liabilities	50,838,503	76.4	34,570	
Reinsurance Held Contract Liabilities	49,887	0.1	34	
Debt/Borrowings	1,484,700	2.2	1,010	
Other Liabilities	4,741,824	7.1	3,224	
Total Liabilities	57,114,914	85.9	38,838	
Capital Stock	61,378	0.1	42	
Retained Earnings	1,979,893	3.0	1,346	
Other Capital and Surplus	7,255,384	10.9	4,934	
Non-Controlling Interests	94,566	0.1	64	
Total Capital and Surplus	9,391,221	14.1	6,386	
Total Liabilities and Surplus	66,506,135	100.0	45,224	

Source: BestLink® - Best's Financial Suite

Income Statement	IFRS 17	IFRS 17	IFRS 17	1/1/2025	1/1/2025
	Non-Life	Life	Other	IFRS 17	IFRS 17
	KRW (000,000)	KRW (000,000)	KRW (000,000)	Total	Total
				KRW (000,000)	USD (000,000)
Insurance Services Revenue	15,024,813	676,298	...	15,701,111	10,677
Of which:					
CSM Recognised in Revenue (GMM, VFA*)	1,297,508	129,212	...	1,426,720	970
Risk Adjustment Recognised in Revenue (GMM, VFA*)	135,863	18,611	...	154,474	105
Net Insurance Services Revenue	14,070,012	667,358	...	14,737,370	10,021
Net Investment Income	1,689,266	...	...	1,689,266	1,149
Of which:					
FVTPL*, Revenue OCI	1,990,429	...	...	1,990,429	1,353
OCI Gains, Real Estate	16,171	...	...	16,171	11
Credit Impairments, Other	-317,334	...	...	-317,334	-216
Net Insurance Finance Expense	983,530	...	...	983,530	669
Insurance Finance Result	705,736	...	...	705,736	480
Other Income/(Expense)	...	...	12,067	12,067	8
Reinsurance Result Profit/(Loss)	-587,994	1,318	...	-586,676	-399
Total Revenue	15,142,555	677,616	12,067	15,832,238	10,766
Claims Expenses	10,649,537	378,069	...	11,027,606	7,499
Of which:					
Experience Variances, Past Service	712,525	-23,628	...	688,897	468
Onerous Contract Provisions/(Releases)	22,035	2,105	...	24,140	16
Net Operating and Other Expenses	2,192,786	174,854	...	2,367,640	1,610
Total Insurance and Other Expenses	12,842,323	552,923	...	13,395,246	9,109
Pre-Tax Income	2,300,232	124,693	12,067	2,436,992	1,657
Income Taxes Incurred	...	...	583,776	583,776	397
Net Income/(Loss)	...	...	...	1,853,216	1,260
Of which:					
Non-Controlling Interests	...	...	...	1,623	1

Source: BestLink® - Best's Financial Suite

*CSM = Contractual Service Margin

*GMM = General Measurement Model

*VFA = Variable Fee Approach

*FVTPL = Fair Value Through Profit or Loss

Related Methodology and Criteria

[Best's Credit Rating Methodology, 08/29/2024](#)

[Catastrophe Analysis in AM Best Ratings, 02/08/2024](#)

[Available Capital and Insurance Holding Company Analysis, 08/15/2024](#)

[Scoring and Assessing Innovation, 02/20/2025](#)

[Understanding Global BCAR, 08/01/2024](#)



A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <https://www.ambest.com/ratings/index.html> for additional information or <https://web.ambest.com/about/terms-of-use> for details on the Terms of Use.

Copyright © 2025 A.M. Best Company, Inc. and/or its affiliates. All rights reserved No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM) and generative artificial intelligence (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our *Terms of Use* available at the AM BEST website: <https://web.ambest.com/about/terms-of-use>. All information contained herein was obtained by AM BEST from sources believed by it to be accurate and reliable. Notwithstanding the foregoing, AM BEST does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and all such information is provided on an "as is" and "as available" basis, without any warranties of any kind, either express or implied. Under no circumstances shall AM BEST have any liability to any person or entity for (a) any loss or damage of any kind, in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of AM BEST or any of its directors, officers, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory, punitive or incidental damages whatsoever (including without limitation, personal injury, pain and suffering, emotional distress, loss of revenue, loss of present or prospective profits, loss of business or anticipated savings, or loss of goodwill) resulting from the use of, or inability to use, any such information, in each case, regardless of (i) whether AM BEST was advised in advance of the possibility of such damages, (ii) whether such damages were foreseeable, and (iii) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based. The credit ratings, performance assessments, financial reporting analysis, projections, and any other observation, position or conclusion constituting part of the information contained herein are, and shall be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor do they individually or collectively address the suitability of any particular financial obligation for a specific purpose or purchaser. Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. Service performance risk is the risk that an entity may not meet its contractual service performance obligations on behalf of its insurance partners. Consequently, neither credit ratings nor performance assessments address any other risk, including but not limited to, liquidity risk, market value risk or price volatility of rated securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR ASSESSMENT OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY AM BEST IN ANY FORM OR MANNER WHATSOEVER. Each credit rating, performance assessment or other opinion must be weighed solely as one factor in any investment or purchasing decision made by or on behalf of any user of the information contained herein. Each such user will, with due care, make its own study and evaluation of each security or other financial obligation, and of each issuer and guarantor of, and each provider of credit support, and an independent view of service provider performance for, each security or other financial obligation that it may consider purchasing, holding, or selling or for each service contract that it may consider entering into. For additional detail on credit ratings or performance assessments, and their respective scales, usage, and limitations, refer to the Guide to Best's Credit Ratings (<https://www.ambest.com/ratings/index.html>) or the Guide to Best's Performance Assessments (<https://www.ambest.com/ratings/assessmentMethodology.html>).

Reports were prepared exclusively for the use of Seokjae Lee. Not for redistribution unless otherwise permitted.