

INSURANCE COSTS TO BE LOWERED AND CHOICES EXPANDED FOR DESIGNATED DRIVERS

As a part of the government's efforts to improve the rights of essential workers, the FSC announced that the insurance cost burdens of designated drivers will be lowered with more choices offered for personal insurance subscription online.

Beginning in April, the number of designated driver matching agencies joining the designated drivers' personal insurance checking system will be expanded to cover nearly eighty to ninety percent of the market. This will help resolve the problem of designated drivers who already carry personal insurance having to subscribe for another group insurance coverage through a driver matching agency. Previously, the agencies had no mechanism of checking whether the listed drivers were carrying their own personal insurance coverage, so that they required drivers to subscribe to group insurance coverage offered through their agency. On the part of designated drivers with personal coverage, this resulted in heavy cost burdens as well as duplication in insurance coverage. As more agencies are joining the system, the cost burdens of designated drivers who are listed through multiple agencies will be lowered by about KRW1 million per year.

In addition, there will be expanded choices and increased convenience for designated drivers as insurers will begin to offer online subscription services with lower premiums beginning on April 6.

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