

AGRICULTURAL AND FISHERY DISASTER INSURANCE ACT

Act No. 9477, Mar. 5, 2009
Amended by Act No. 10522, Mar. 31, 2011
Act No. 10937, Jul. 25, 2011
Act No. 11564, Dec. 18, 2012
Act No. 11698, Mar. 23, 2013
Act No. 12729, jun. 3, 2014
Act No. 13464, Aug. 11, 2015
Act No. 14242, May 29, 2016
Act No. 14296, Dec. 2, 2016
Act No. 14295, Dec. 2, 2016
Act No. 14586, Mar. 14, 2017
Act No. 14839, Jul. 26, 2017
Act No. 15070, Nov. 28, 2017
Act No. 16969, Feb. 11, 2020
Act No. 17112, Mar. 24, 2020
Act No. 17328, May 26, 2020
Act No. 17595, Dec. 8, 2020
Act No. 18529, Nov. 30, 2021

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to the stability in management of agriculture and fisheries and the improvement of productivity in agriculture and fisheries and the balanced development of the national economy, by providing for the matters concerning agricultural and fishery disaster insurance designed to cover losses from property damage caused by agricultural and fishery disasters to agricultural crops, forestry products, aquaculture products, livestock, and facilities for agriculture or fisheries. <Amended on Jul. 25, 2011>

Article 2 (Definitions)

The terms used in this Act are defined as follows: <Amended on Jun. 25, 2011; Mar. 23, 2013>

1. The term "agricultural or fishery disaster" means a natural disaster, damage by blight and harmful insects, damage caused by birds or animals, a disease, or a fire that occurs in or to agricultural crops, forestry products, livestock, or agricultural facilities (hereinafter referred to as "agricultural disaster") and a natural disaster, a disease, or a fire that occurs in or to aquaculture products or fisheries facilities (hereinafter referred to as "fishery disaster");
2. The term "agricultural and fishery disaster insurance" means insurance to cover losses resulting from property damage caused by agricultural or fishery disasters;
3. The term "amount of insurance coverage" means an amount agreed upon by an insurance policyholder and an insurer on the maximum amount of compensation under insurance for losses sustained by the insurance policyholder as a result of property damage caused by agricultural or fishery disasters;
4. The term "insurance premium" means an amount that an insurance policyholder shall pay to an insurer in accordance with an agreement between the insurance policyholder and the insurer;
5. The term "insurance proceeds" means an amount that an insurer shall pay to an insurance policyholder in accordance with an agreement between the insurance policyholder and the insurer where the insurance policyholder sustains losses as a result of property damage caused by a disaster;
6. The term "pilot program" means an insurance program implemented in a limited area for a certain period to verify the utility of, and the feasibility of implementing, the agricultural and fishery insurance program (hereinafter referred to as the "disaster insurance program") before nationwide implementation of the disaster insurance program.

Article 2-2 (Formulation and Implementation of Master Plan and Action Plan)

(1) To promote the agricultural and fishery disaster insurance (hereinafter referred to as "disaster insurance"), the Minister of Agriculture, Food and Rural Affairs and the Minister of Oceans and Fisheries shall formulate and implement a master plan for promoting disaster insurance (hereinafter referred to as "master plan") every five years after undergoing deliberation by the Deliberative Committee on Agricultural Disaster Insurance or the Deliberative Committee on Fishery Disaster Insurance established under Article 3.

(2) A master plan shall include the following matters:

1. Development direction and goal of the disaster insurance program;
2. Measures to increase the purchase rate of each type of disaster insurance;
3. Items and areas covered by the disaster insurance;
4. Support for and evaluation of the disaster insurance program;

5. Other matters deemed necessary by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries for promoting disaster insurance.
- (3) Pursuant to the master plan, the Minister of Agriculture, Food and Rural Affairs and the Minister of Oceans and Fisheries shall formulate and implement an action plan for promoting disaster insurance (hereinafter referred to as "action plan") every year in accordance with the master plan.
- (4) Where intending to formulate the master plan and action plan, the Minister of Agriculture, Food and Rural Affairs and the Minister of Oceans and Fisheries shall incorporate the statistical data under Article 26.
- (5) If necessary for the formulation and implementation of the master plan and action plan, the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries may request the heads of relevant central administrative agencies, local governments, and relevant institutions and organizations to provide relevant data or information. In such cases, a person requested to provide data or information shall comply with the request unless there is a compelling reason not to do so.
- (6) Other matters necessary for the formulation and implementation of the master plan and action plan shall be prescribed by Presidential Decree.

Article 3 (Deliberative Committee)

- (1) A Deliberative Committee on Agricultural Disaster Insurance and a Deliberative Committee on Fishery Disaster Insurance shall be established under the Minister of Agriculture, Food and Rural Affairs and the Minister of Oceans and Fisheries, respectively, for deliberation on the following matters concerning the disaster insurance and agricultural and fishery disaster re-insurance (hereinafter referred to as "re-insurance") under this Act: <Amended on Mar. 23, 2013; Nov. 30, 2021>
1. Selection of subject matters of disaster insurance;
 2. The scope of disasters covered by disaster insurance;
 3. The financial support for the disaster insurance program;
 4. Methods and procedures for the assessment of losses;
 5. The extent of Government's responsibility for the agricultural and fishery re-insurance program (hereinafter referred to as the "re-insurance program");
 6. Reasonableness of revenues and expenditures of funds relating to the re-insurance program;
 - 6-2. Formulation and implementation of the master plan under Article 2-2 (1);
 7. Deliberation by the Deliberative Committee on Agricultural Disaster Insurance or the Deliberative Committee on Fishery Disaster Insurance (hereinafter referred to as the "Deliberative Committee") required under other Acts;
 8. Other matters deemed necessary by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries.
- (2) The Deliberative Committee shall be comprised of not more than 21 members, including one chairperson and one vice chairperson.

(3) The Vice Minister of Agriculture, Food and Rural Affairs and the Vice Minister of Oceans and Fisheries shall be the chairperson of each Deliberative Committee, and the vice chairperson thereof shall be elected by and from among the respective Deliberative Committee members. <Amended on Mar. 23, 2013>

(4) The members of each Deliberative Committee shall be appointed or commissioned by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries from among persons falling under any of the following subparagraphs. In such cases, at least one person from each of the following subparagraphs shall be included as a committee member: <Amended on Jul. 25, 2011; Mar. 23, 2013; Nov. 19, 2014; Jul. 26, 2017; Feb. 11, 2020>

1. Persons who are recognized by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries as highly knowledgeable and experienced in disaster insurance, agriculture, or fisheries;

2. Grade III public officials in charge of disaster insurance, or public officials who are members of the Senior Executive Service, in the Ministry of Agriculture, Food and Rural Affairs or the Ministry of Oceans and Fisheries;

3. Grade III public officials in charge of natural disasters or insurance-related affairs, or public officials who are members of the Senior Executive Service, in the Ministry of Economy and Finance, the Ministry of the Interior and Safety, the Financial Services Commission, or the Korea Forest Service.

(5) The term of office for each committee member under paragraph (4) 1 shall be three years.

(6) The Deliberative Committee may have subcommittees within the Deliberative Committee for examination and coordination of the matters requiring deliberation and for assistance with its deliberation.

(7) Where necessary to deliberate on the matters referred to in the subparagraphs of paragraph (1), the Deliberative Committee may hear the opinions of persons with expertise in agricultural and fishery disaster insurance, farmers, fishermen, or stakeholders. <Newly Inserted on Dec. 8, 2020>

(8) Except as provided in paragraphs (1) through (7), matters necessary for composition, operation, etc. of the Deliberative Committee and subcommittees shall be prescribed by Presidential Decree. <Amended on Dec. 8, 2020>

CHAPTER II DISASTER INSURANCE PROGRAM

Article 4 (Types of Disaster Insurance)

The types of disaster insurance shall include disaster insurance for agricultural crops, disaster insurance for forest products, disaster insurance for livestock, and disaster insurance for aquaculture products. The Minister of Agriculture, Food and Rural Affairs shall be responsible for matters concerning disaster insurance for agricultural crops, disaster insurance for forest products, and disaster insurance for livestock, and the Minister of Oceans and Fisheries shall be responsible for matters concerning disaster insurance for aquaculture products. <Amended on Jul. 25, 2011; Mar. 23, 2013>

Article 5 (Subject Matter of Insurance)

The subject matter of insurance shall be divided into the following subparagraphs, and further specific scope thereof shall be publicly notified by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries, through the Deliberative Committee on Agricultural Disaster Insurance or the Deliberative Committee on Fishery Disaster Insurance, taking into account the utility of insurance, the feasibility of implementing insurance, and others: <Amended on Jul. 25, 2011; Aug. 11, 2015>

1. Disaster insurance for agricultural crops: Agricultural crops and facilities for agriculture;
- 1-2. Disaster insurance for forestry products: Forestry products and facilities for forestry;
2. Disaster insurance for livestock: Livestock and facilities for livestock industry;
3. Disaster insurance for aquaculture products: aquaculture products and facilities for aquafarming.

Article 6 (Scope of Coverage)

(1) The scope of disasters covered by disaster insurance shall be prescribed by Presidential Decree, taking into consideration the frequency of occurrence of disasters at issue, severity of damage, and objective methods for assessment of damage. <Amended on Dec. 2, 2016>

(2) The Government shall endeavor to expand the scope of disasters covered by disaster insurance. <Newly Inserted on Dec. 2, 2016>

Article 7 (Persons Eligible for Insurance)

A person eligible for disaster insurance shall be an individual or legal entity engaged in agriculture, forestry, livestock industry, or aquaculture, and further specific eligibility criteria for enrollment in insurance shall be prescribed by Presidential Decree.

Article 8 (Insurers)

(1) The following persons may engage in the disaster insurance program: <Amended on Jul. 25, 2011>

1. Deleted; <Mar. 31, 2011>
2. The National Federation of Fisheries Cooperatives under the Fisheries Cooperatives Act (hereinafter referred to as the "NFFC");
- 2-2. National Forestry Cooperative Federation under the Forestry Cooperatives Act;
3. An insurance company under the Insurance Business Act.

(2) Any person who intends to engage in the disaster insurance program pursuant to paragraph (1) shall enter into a disaster insurance program agreement with the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries. <Amended on Mar. 23, 2013>

(3) Any person who intends to enter into a disaster insurance program agreement under paragraph (2) shall submit each of the following documents to the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries: <Amended on Mar. 23, 2013>

1. A business manual, insuring clause, and a manual for calculation of insurance premiums and policy reserve;
 2. Other documents specified by Presidential Decree.
- (4) Matters necessary for entering into the agreement for the disaster insurance program pursuant to paragraph (2) shall be prescribed by Presidential Decree.

Article 9 (Determination of Insurance Premium Rates)

Any person who enters into an agreement with the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries for the disaster insurance program pursuant to Article 8 (2) (hereinafter referred to as "disaster insurer") shall determine insurance premium rates for disaster insurance for each type of subject matter of insurance or each compensation method, based on objective and reasonable statistical data, and shall determine insurance premium rates in units according to the following classification: *<Amended on Mar. 23, 2013; Nov. 28, 2017; Nov. 30, 2021>*

1. Administrative district units: Special Metropolitan City, Metropolitan City, Do, Special Self-Governing Province, or Si (including Special Self-Governing City and administrative Si established pursuant to Article 10 (2) of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International City), Gun, or autonomous Gu: Provided, That if the principle of calculating the premium rate under Article 129 of the Insurance Business Act is satisfied, the premium rate may be calculated in the unit of Gu/Eup/Myeon/Dong instead of an autonomous Gu;
2. Regional units: Regional units publicly notified by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries, apart from the administrative district units.

Article 10 (Solicitation of Insurance Contracts)

(1) Persons who are qualified to solicit disaster insurance shall be as follows: *<Amended on Mar. 31, 2011; Jul. 25, 2011; May 29, 2016>*

1. Executive officers and employees of National Forestry Cooperative Federation and its member cooperatives; National Federation of Fisheries Cooperatives and its member cooperatives; the Suhyup Bank established under the Fisheries Cooperatives Act;
2. Persons who are the recruiting agents for the mutual-aid service under the mutual-aid provisions prescribed in Article 60 (including cases to which Articles 108, 113, and 168 apply mutatis mutandis) of the Fisheries Cooperatives Act and who are approved by the Chairperson of NFFC or the head of its member cooperatives;
- 2-2. Persons who are the recruiting agents for the mutual-aid service under the mutual-aid provisions prescribed in Article 48 (including cases to which Article 122 apply mutatis mutandis) of the Forestry Cooperatives Act and who are approved by the Chairperson of National Forestry Cooperative Federation or the heads of its member cooperatives;

3. Persons who are qualified to solicit insurance pursuant to Article 83 (1) of the Insurance Business Act.

(2) Articles 95, 97, and 98 of the Insurance Business Act and Article 21 of the Financial Consumer Protection Act shall apply mutatis mutandis to the informative materials for disaster insurance that may be used by the persons engaged in solicitation of disaster insurance pursuant to paragraph (1) and the activities prohibited for such persons: Provided, That Article 95 (1) 5 of the Insurance Business Act shall not apply mutatis mutandis where the disaster insurer is NFFC or National Forestry Cooperative Federation; and notwithstanding Article 98 of the Insurance Business Act, where a cooperative under the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, or the Forestry Cooperatives Act partially subsidizes the premiums of an insurance product under this Act for its members, this shall not be deemed the provision of special benefits relating to the solicitation of the relevant insurance or conclusion of such insurance contract. <Amended on Mar. 31, 2011; Jul. 25, 2011; Dec. 18, 2012; Mar. 24, 2020>

Article 10-2 (Obligation to Prevent Accidents)

(1) Insurance policy holders shall endeavor to prevent accident occurrence from disasters.

(2) A disaster insurer may partially refund the insurance premiums paid by an insurance policy holder to prevent an accident. <Amended on Feb. 11, 2020>

Article 11 (Assessment of Damage)

(1) Any disaster insurer may retain a person knowledgeable and experienced in the subject matter of insurance or other relevant expert as a damage assessor, or place a certified damage assessor under Article 11-2 (hereinafter referred to as "certified damage assessor") or a certified claim adjuster under Article 186 of the Insurance Business Act in charge of assessment of damage. <Amended on Jun. 3, 2014; Feb. 11, 2020>

(2) Any damage assessor and certified damage assessor under paragraph (1) and certified claim adjuster under Article 186 of the Insurance Business Act shall assess damages in compliance with the guidelines for the assessment of damage prescribed and publicly notified by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries. In such cases, assessment of damage shall be conducted fairly and objectively; no facts shall be concealed nor shall any false statement be made in the assessment of damage. <Amended on Mar. 23, 2013; Jun. 3, 2014; Dec. 2, 2016>

(3) Disaster insurers may conduct cross-assessment of damage (referring to cross-assessment among damage assessors of damage in assigned areas; the same shall apply hereinafter) in a Si/Gun/Gu (a Gu refers to an autonomous Gu) in order to assess the damage fairly and objectively. In such cases, procedures, methods, and other necessary matters for such cross-assessment of damage shall be prescribed by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries. <Newly Inserted on Dec. 2, 2016>

(4) Where the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries intends to publicly notify the guidelines for assessment of damage under paragraph (2), he or she shall

consult the Financial Services Commission in advance. <Amended on Mar. 23, 2013; Dec. 2, 2016>

(5) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries shall provide a regular training program at least once a year in order for damage assessors under paragraph (1) to conduct assessment of damage fairly and objectively. <Newly Inserted on Dec. 2, 2016>

(6) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries may support with the exchange of information and technology on assessment of damage among damage assessors. <Newly Inserted on Dec. 2, 2016>

(7) Matters such as requirements for persons eligible to be damage assessors under paragraph (1); regular training program under paragraph (5); support with exchange of technology and information under paragraph (6); and matters necessary for on-the-job training on assessment of damage shall be prescribed by Presidential Decree. <Amended on Dec. 2, 2016; Feb. 11, 2020>

Article 11-2 (Certified Damage Assessors)

The Minister of Agriculture, Food and Rural Affairs shall operate a certified damage assessor system to promote fair and objective damage assessment.

Article 11-3 (Duties of Certified Damage Assessors)

A certified damage assessor shall conduct the following duties concerning disaster insurance for agricultural crops and disaster insurance for livestock:

1. Ascertainment of damage incurred;
2. Assessment of the insurance value and damages;
3. Other matters necessary for damage assessment.

Article 11-4 (Examination for Certified Damage Assessors)

(1) Any person who intends to be a certified damage assessor shall pass the examination to qualify as certified damage assessors conducted by the Minister of Agriculture, Food and Rural Affairs.

(2) Any person who meets standards prescribed by Presidential Decree, who is deemed to have expertise of and experience in the subject matter of insurance or related fields, shall be exempt from some of the subjects for the examination to qualify as certified damage assessors.

(3) The Minister of Agriculture, Food and Rural Affairs shall suspend or nullify an examination any of the following persons has taken and shall notify such person of the disposition without delay: <Newly Inserted on Aug. 11, 2015>

1. Any person who takes an examination by unlawful means;
2. Any person who engages in cheating in examination.

(4) None of the following persons, where two years have not passed from the date the relevant disposition has been rendered against the person, shall apply for the qualifying examination for certified damage assessors under paragraph (1): <Amended on Aug. 11, 2015>

1. Any person against whom the disposition for suspension or nullification has been rendered pursuant to paragraph (3);

2. Any person whose qualification as a certified damage assessor has been revoked pursuant to Article 11-5.

(5) Necessary matters concerning the implementation of qualifying examinations for certified damage assessors, examination fees, subjects for examination, exemption from subjects for examination, methods of examination, criteria for passing such examinations, issuance of certificates of qualification, and similar matters under paragraphs (1) and (2), shall be prescribed by Presidential Decree. <Amended on Aug. 11, 2015>

(6) No certified damage assessor shall allow any other person to use his or her name or lend his or her qualification certificate to any other person. <Newly Inserted on Feb. 11, 2020>

(7) No person shall use the name of a certified damage assessor without obtaining qualifications for a certified damage assessor or be lent a qualification certificate and shall help the use of such name or the lending of such qualification certificate. <Newly Inserted on Feb. 11, 2020>

Article 11-5 (Revocation of Qualifications as Certified Damage Assessors)

The Minister of Agriculture, Food and Rural Affairs may revoke qualifications of any of the following persons as certified damage assessors: Provided, That where he or she falls under subparagraph 1 or 5, the Minister of Agriculture, Food and Rural Affairs shall revoke his or her qualifications: <Amended on Feb. 11, 2020>

1. Any person who has acquired a qualification as a certified damage assessor by deception or other fraudulent means;

2. Any person who assesses damage by fraud;

3. A person who allows other persons to use the name of a certified damage assessor or lends his or her qualification certificate to other persons in violation of Article 11-4 (6);

4. A person who helps the use of the name of a certified damage assessor or the lending of his or her qualification certificate in violation of Article 11-4 (7);

5. A person who conducts damage assessment during the period of suspension of services.

(2) Detailed criteria for revocation of qualification under paragraph (1) shall be prescribed by the Presidential Decree. <Newly Inserted on Feb. 11, 2020>

Article 11-6 (Supervision over Certified Damage Assessors)

(1) Where the Minister of Agriculture, Food and Rural Affairs deems that a certified damage assessor is negligent in performing his or her duties or engages in an inappropriate conduct while performing his or her duties, he or she may order such certified damage assessor to suspend his or her business for a specified period of up to one year. <Amended on Feb. 11, 2020>

(2) Detailed criteria for suspension of business under paragraph (1) shall be prescribed by the Presidential Decree. <Newly Inserted on Feb. 11, 2020>

Article 11-7 (Exclusive Account for Receipt of Insurance Proceeds)

(1) Where an eligible recipient makes a request, disaster insurer shall deposit the insurance proceeds in a designated deposit account (hereinafter referred to as "exclusive account for receipt of insurance proceeds") in the name of the eligible recipient: Provided, That where transferring insurance proceeds to an exclusive account for receipt of insurance proceeds is impossible due to breakdown of the information and communications system or other reasons prescribed by Presidential Decree, insurance proceeds may be paid as prescribed by Presidential Decree, such as payment by cash, etc.

(2) The financial institution with which an exclusive account for receipt of insurance proceeds is opened shall ensure that only insurance proceeds prescribed in this Act are transferred to the exclusive account for receipt of insurance proceeds.

(3) The methods of and procedures for application referred to in paragraph (1) and matters necessary for managing the exclusive account for receipt of insurance proceeds under paragraph (2) shall be prescribed by Presidential Decree.

Article 12 (Protection of Beneficial Rights)

(1) No right to receive disaster insurance proceeds shall be subject to seizure: Provided, That the foregoing shall not apply where the subject matter of the insurance is furnished as security. <Amended on Feb. 11, 2020>

(2) No right to claim deposits in the exclusive account for receipt of insurance proceeds designated under Article 11-7 (1), which is not more than the amount prescribed by Presidential Decree, may be seized. <Newly Inserted on Feb. 11, 2020>

Article 13 (Succession to Rights and Obligations by Transfer of Subject Matter of Insurance)

If a disaster insurance policyholder transfers to a third person the subject matter insured by the disaster insurance, it shall be presumed that the transferee succeeds to the rights and obligations of the transferor under the disaster insurance contract.

Article 14 (Entrustment of Business Affairs)

Any disaster insurer may entrust a person specified by Presidential Decree with some business affairs of the disaster insurance, such as solicitation of insurance contracts and assessment of damage if necessary for efficiently conducting the disaster insurance program.

Article 15 (Separate Accounting)

Every disaster insurer shall keep separate accounts for the disaster insurance program from other accounts for the purpose of accounting to make clear profits and losses thereon.

Article 16 Deleted. <Aug. 11, 2015>

Article 17 (Mediation of Disputes)

Mediation of disputes arising in connection with the disaster insurance shall be governed by Articles 33 through 43 of the Financial Consumer Protection Act. <Amended on Mar. 24, 2020>

Article 18 (Application of the Insurance Business Act)

(1) For the purpose of the disaster insurance program under this Act, Articles 104 through 107, 118 (1), 119, 120, 124, 127, 128, 131 through 133, 134 (1), 136, 162, 176, and 181 (1) of the Insurance Business Act shall apply. In such cases, the term "insurance company" shall be construed as "insurer". <Amended on Aug. 11, 2015; Mar. 24, 2020>

(2) Article 45 of the Financial Consumer Protection Act shall apply to insurance business under this Act. In such cases, "direct sellers of financial products" shall be construed as "insurance business entity". <Newly Inserted on Mar. 24, 2020>

Article 19 (Financial Support)

(1) The Government may partially subsidize insurance premiums borne by disaster insurance policyholders and wholly or partially expenses incurred by disaster insurers for operation and management of disaster insurance (hereinafter referred to as "operating expenses") within budgetary limits. In such cases, a local government may additionally subsidize part of insurance premiums borne by disaster insurance policyholders, within budgetary limits. <Amended on Jul. 25, 2011>

(2) The Minister of Agriculture, Food and Rural Affairs, the Minister of Oceans and Fisheries, and the head of each local government shall pay the subsidies under paragraph (1) to disaster insurers. <Amended on Jul. 25, 2011; Mar. 23, 2013>

(3) Notwithstanding paragraph (1), the Government shall not provide any financial support to a person who purchases a disaster insurance policy for the same subject matter for which the person holds a storm and flood insurance policy under the Storm and Flood Insurance Act.

(4) Matters necessary for the method of, and the procedure for, subsidization of insurance premiums and operating expenses under paragraph (1) shall be prescribed by Presidential Decree.

**CHAPTER III RE-INSURANCE PROGRAM AND
AGRICULTURAL AND FISHERY DISASTER RE-
INSURANCE FUND**

Article 20 (Re-Insurance Program)

(1) The Government may implement a re-insurance program for disaster insurance.

(2) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries shall enter into a re-insurance policy that contains the following subparagraphs, with disaster insurers who intend to purchase re-insurance: *<Amended on Mar. 23, 2013>*

1. The insurance premiums that a disaster insurer shall pay to the Government (hereinafter referred to as "re-insurance premiums");
2. The insurance proceeds that the Government shall pay (hereinafter referred to as "re-insurance proceeds");
3. Others prescribed by Presidential Decree with regard to the re-insurance policy, such as re-insurance fee.

(3) The Minister of Agriculture, Food and Rural Affairs may entrust some affairs concerning the re-insurance program to the Agricultural Policy Insurance and Finance Service established under Article 63-2 (1) of the Framework Act on Agriculture, Rural Community and Food Industry (hereinafter referred to as "Agricultural Policy Insurance and Finance Service") after consultation with the Minister of Oceans and Fisheries. *<Newly Inserted on Jun. 3, 2014; Mar. 14, 2017>*

Article 21 (Establishment of Fund)

In consultation with the Minister of Oceans and Fisheries, the Minister of Agriculture, Food and Rural Affairs shall jointly establish a fund for agricultural and fishery disaster re-insurance (hereinafter referred to as the "Fund") in order to procure financial resources necessary for the re-insurance program. *<Amended on Mar. 23, 2013>*

Article 22 (Sources of Fund)

(1) The Fund shall be raised from the following financial resources: *<Amended on Dec. 2, 2016>*

1. Re-insurance premiums received pursuant to Article 20 (2) 1;
2. Contributions from the Government, any person other than the Government, and other Funds;
3. Re-insurance proceeds recovered;
4. Earnings from the operation of the Fund and other revenues;
5. Borrowings under paragraph (2);
6. Funds transferred from the account for projects financed by special rural development tax under the Agriculture and Fisheries Structure Adjustment Special Account in accordance with Article 5 (2) 7 of the Act on the Agriculture and Fisheries Structure Adjustment Special Account.

(2) Where deemed necessary for the operation of the Fund, the Minister of Agriculture, Food and Rural Affairs may borrow money, at the expense of the Fund, from financial institutions, other funds, or other accounts under the Fund in consultation with the Minister of Oceans and Fisheries. *<Amended on Mar. 23,*

Article 23 (Use of Fund)

The Fund shall be appropriated for the following purposes: *<Amended on Mar. 23, 2013>*

1. Payment of re-insurance proceeds under Article 20 (2) 2;
2. Repayment of principal and interest of borrowings under Article 22 (2);
3. Disbursement of expenses incurred for the management and operation of the Fund (including expenses for entrusted business affairs);
4. Disbursement of other expenses that the Minister of Agriculture, Food and Rural Affairs deems necessary for the maintenance and improvement of the re-insurance program in consultation with the Minister of Oceans and Fisheries.

Article 24 (Management and Operation of Fund)

(1) The Fund shall be managed and operated by the Minister of Agriculture, Food and Rural Affairs in consultation with the Minister of Oceans and Fisheries. *<Amended on Mar. 23, 2013>*

(2) After consultation with the Minister of Oceans and Fisheries, the Minister of Agriculture, Food and Rural Affairs may entrust the Agricultural Policy Insurance and Finance Service with some administrative affairs concerning the management and operation of the Fund. *<Amended on Mar. 23, 2013; Mar. 14, 2017>*

(3) Except as provided in paragraphs (1) and (2), matters necessary for the management and operation shall be prescribed by Presidential Decree.

Article 25 (Accounting Authorities Responsible for Fund)

(1) The Minister of Agriculture, Food and Rural Affairs shall appoint, after consultation with the Minister of Oceans and Fisheries, a fund revenue collection officer, a fund treasurer, a fund disbursement officer, and a fund cashier-officer from among public officials under his or her control to conduct administrative affairs concerning revenues and expenditures of the Fund. *<Amended on Mar. 23, 2013>*

(2) In entrusting administrative affairs concerning the management and operation of the Fund pursuant to Article 24 (2), the Minister of Agriculture, Food and Rural Affairs shall appoint, in consultation with the Minister of Oceans and Fisheries, an executive officer responsible for revenues of the Fund and an executive officer responsible for incurring expenditure of the Fund from among executive officers of the Agricultural Policy Insurance and Finance Service to whom the business affairs are entrusted and a fund disburser and a fund cashier from among employees thereof. In such cases, the executive officer responsible for revenues of the Fund shall perform the duties of a fund revenue collection officer, the executive officer responsible for incurring expenditure of the Fund the duties of a fund treasurer, the fund disburser the duties of a fund disbursement officer, and the fund cashier the duties of a fund cashier-officer. *<Amended on Mar. 23, 2013; Mar. 14, 2017>*

CHAPTER IV MANAGEMENT OF INSURANCE PROGRAM

Article 25-2 (Management of Agricultural Disaster Insurance Program)

(1) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries shall conduct the following affairs to efficiently promote the disaster insurance program: *<Amended on Feb. 11, 2020; May 26, 2020>*

1. Management and supervision of the disaster insurance program;
2. Research on and dissemination of products insuring against disasters;
3. Production of statistics related to disasters and the establishment and analysis of database;
4. Fostering of human resources for damage assessment;
5. Research into, development of, and dissemination of damage assessment techniques.

(2) The Minister of Agriculture, Food and Rural or the Minister of Oceans and Fisheries Affairs may entrust the following affairs to the Agricultural Policy Insurance and Finance: *<Amended on Mar. 14, 2017; May 26, 2020>*

1. Affairs under paragraph (1) 1 through 5;
2. Affairs related to entering into agreements on the disaster insurance program under Article 8 (2);
3. Affairs related to the operation of the certified damage assessor system under Article 11-2;
4. Other affairs entrusted by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries in relation to the disaster insurance program.

(3) The Minister of Agriculture, Food and Rural Affairs may entrust the Agricultural Policy Insurance and Finance established under the Human Resources Development Service of Korea Act with affairs on the implementation and administration of qualifying examinations for certified damage assessors as provided for in Article 11-4. *<Amended on Mar. 14, 2017>*

Article 26 (Gathering and Management of Statistics)

(1) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries shall collect and manage statistical data necessary for the operation and development of insurance products, such as the current status of subject matter of insurance, items to be covered by expanded insurance (referring to items planned to be included as subject matters of disaster insurance selected pursuant to Article 3 (1) 1), the scale of damage, and causes for damage, and may request the heads of relevant central administrative agencies and local governments to provide necessary data. *<Amended on Mar. 23, 2013; Dec. 2, 2016>*

(2) The head of the relevant central administrative agency or local government shall, upon receiving a request for data pursuant to paragraph (1), comply with the request, unless there is a compelling reason not to do so.

(3) In order to ensure the sound operation of the disaster insurance program, the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries shall prepare promotional measures for surveys and research for the development of disaster insurance systems and products, the development of related technology, the training of experts, and other relevant matters. *<Amended on Mar. 23, 2013>*

(4) The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries may entrust a person prescribed by Presidential Decree with business affairs for matters such as collection and management of statistics under paragraph (1) and surveys and research under paragraph (3). *<Amended on Mar. 23, 2013>*

Article 27 (Pilot Programs)

(1) A disaster insurer may implement a pilot program, in consultation with the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries, where deemed necessary, such as where he or she intends to introduce a new insurance product. *<Amended on Mar. 23, 2013>*

(2) The Government may provide support necessary for the smooth operation of a pilot program.

(3) Detailed matters concerning implementation of pilot programs under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 28 (Facilitation of Purchases of Insurance)

In order to raise awareness of farmers and fishermen about disaster preparedness and promote purchases of disaster insurance, the Government may conduct educational programs and public relations activities and provide insurance purchasers with support, such as policy-oriented funds and credit guarantees.

<Amended on Dec. 2, 2016>

Article 28-2 (Formulation of Plans to Facilitate Purchases of Insurance)

(1) Disaster insurers shall formulate annual plans to facilitate purchases of insurance in order to promote purchases of agricultural or fishery disaster insurance and submit such plan to Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries.

(2) The details of a plan to facilitate purchases of insurance and other matters necessary therefor shall be prescribed by Presidential Decree.

Article 29 (Reporting)

The Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries may require a disaster insurer to report the status of business concerning the disaster insurance program or to submit relevant documents where deemed necessary for the sound operation of the disaster insurance and the protection of disaster insurance policyholders. *<Amended on Mar. 23, 2013>*

Article 29-2 (Hearings)

Where the Minister of Agriculture, Food and Rural Affairs intends to issue a disposition for any of the following, he or she shall hold a hearing:

1. Revocation of qualification as a certified damage assessor under Article 11-5;
2. Suspension of business of a certified damage assessor under Article 11-6.

CHAPTER V PENALTY PROVISIONS

Article 30 (Penalty Provisions)

(1) Any person who provides money or goods as referred to in Article 98 of the Insurance Business Act (referring to a promise to pay insurance proceeds in cases of subparagraph 3 of the aforesaid Article), which shall apply mutatis mutandis pursuant to Article 10 (2), or any insurance policyholder who requests and receives money or goods in such manner shall be punished by imprisonment with labor not exceeding three years or by a fine not exceeding 30 million won. *<Amended on Nov. 28, 2017>*

(2) Any of the following persons shall be punished by imprisonment with labor not exceeding one year or by a fine not exceeding 10 million won: *<Amended on Feb. 11, 2020>*

1. A person who conducts solicitation, in violation of Article 10 (1);
2. A person who intentionally conceals any fact or makes a false statement in assessment of damage, in violation of the latter part of Article 11 (2);
3. A person who allows other persons to use the name of a certified damage assessor or lends his or her qualification certificate to other persons in violation of Article 11-4 (6);
4. A person who uses the name of a certified damage assessor or borrows his or her qualification certificate or a person who helps the use of the name of a certified damage assessor or the lending of his or her qualification certificate in violation of Article 11-4 (7).

(3) Any person who violates Article 15 in performing accounting shall be punished by a fine not exceeding five million won.

Article 31 (Joint Penalty Provisions)

If the representative of a corporation or an agent, or an employee of, or other persons employed by, a corporation or an individual commits an offense under Article 30 in the scope of the business of the corporation or the individual, not only shall such an offender be punished accordingly, but the corporation or the individual shall be also punished by the fine prescribed in the aforesaid Article: Provided, That the foregoing shall not apply where such corporation or individual has not been negligent in giving considerable attention to supervision in connection with the business in order to prevent such offense.

Article 32 (Administrative Fines)

(1) A disaster insurer who violates Article 95 of the Insurance Business Act, which shall apply mutatis mutandis pursuant to Article 10 (2), in providing information on insurance shall be punished by an administrative fine of not exceeding 10 million won.

(2) A promoter, an incorporator, an executive officer, a managerial employee, an ordinary managerial employee, a bankruptcy administrator, or a liquidator of any disaster insurer shall be punished by an administrative fine of not exceeding five million won if he or she falls under any of the following subparagraphs: <Amended on Aug. 11, 2015; Mar. 24, 2020>

1. If he or she fails to appropriate liability reserves and emergency-risk reserves under Article 120 of the Insurance Business Act, which shall apply pursuant to Article 18 (1) or fails to keep records thereof respectively in accounting books separately prepared;

2. If he or she violates an order issued pursuant to Article 131 (1), (2), or (4) of the Insurance Business Act, which shall apply pursuant to Article 18 (1);

3. If he or she refuses, interferes with, or evades an inspection under Article 133 of the Insurance Business Act, which shall apply pursuant to Article 18 (1).

(3) Any of the following persons shall be punished by an administrative fine of not exceeding five million won: <Amended on Mar. 24, 2020>

1. A person who violates Article 95 of the Insurance Business Act, which shall apply mutatis mutandis pursuant to Article 10 (2), in providing information on insurance and who is not a disaster insurer;

2. A person who performs any prohibited act in relation to solicitation for insurance and conclusion of such contract, in violation of Article 97 (1) of the Insurance Business Act or Article 21 of the Financial Consumer Protection Act, which shall apply mutatis mutandis pursuant to Article 10 (2);

3. A person who fails to submit a report or relevant documents under Article 29 or who submits a false report or document.

(4) Administrative fines under paragraphs (1), (2) 1, and (3) shall be imposed and collected by the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries, and administrative fines under paragraph (2) 2 and 3 shall be imposed and collected by the Financial Services Commission, as prescribed by Presidential Decree. <Amended on Mar. 23, 2013>

ADDENDA <Act No. 9477, Mar. 5, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2010.

Article 2 (Repeal of Other Act)

The Act on Accident Insurance for aquaculture Products is hereby repealed.

Article 3 (Transitional Measure Following Amendment of the Crop Disaster Insurance Act)

Crop disaster insurance contracts and crop disaster insurance re-insurance contracts, the liability term for which already began before this Act enters into force, shall be governed by the previous Crop Disaster Insurance Act.

Article 4 (Transitional Measure Following Repeal of the Act on Accident Insurance for Aquaculture Products)

Accident insurance contracts and accident re-insurance contracts for aquaculture products, the liability term for which already began before this Act enters into force, shall be governed by the previous Act on Accident Insurance for aquaculture Products.

Article 5 (Transitional Measure concerning Fund for Crop Disaster Re-insurance and Fund for Accident Re-insurance for Aquaculture Products)

(1) The pre-existing fund for crop disaster re-insurance under Article 14-3 of the previous Crop Disaster Insurance Act as at the time this Act enters into force shall be deemed the agricultural and fishery disaster re-insurance fund under this Act.

(2) Assets, claims, liabilities, and other rights and obligations that belong to the fund for accident disaster re-insurance for aquaculture products under the Act on Accident Insurance for aquaculture Products, which is repealed by the enforcement of this Act, shall be transferred to the agricultural and fishery disaster re-insurance fund under this Act.

Article 6 (Transitional Measure concerning Dispositions)

Dispositions and measures made or taken and other acts done by or to an administrative agency pursuant to the previous Crop Disaster Insurance Act or the previous Act on Accident Insurance for aquaculture Products as at the time this Act enters into force shall be deemed dispositions and measures made or taken and acts done by or to the administrative agency pursuant to this Act.

Article 7 (Transitional Measure concerning Penalty Provisions)

In applying penalty provisions or imposing an administrative fine for acts committed before this Act enters into force shall be governed by the previous Crop Disaster Insurance Act or the previous Act on Accident Insurance for aquaculture Products.

Article 8 Omitted.

Article 9 (Relation with other Acts)

Citations to the previous Crop Disaster Insurance Act and the previous Act on Accident Insurance for aquaculture Products and the provisions thereof, if any, by other Acts and subordinate statutes as at the time this Act enters into force shall be deemed citations to this Act or the corresponding provisions thereof in lieu of the previous provisions if such corresponding provisions exist in this Act.

ADDENDA <Act No. 10522, Mar. 31, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force on March 2, 2012. (Proviso Omitted.)

Articles 2 through 28 Omitted.

ADDENDUM <Act No. 10937, Jul. 25, 2011>

This Act shall enter into force six months after the date of its promulgation.

ADDENDUM <Act No. 11564, Dec. 18, 2012>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 11698, Mar. 23, 2013>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Article 2 (Transitional Measure concerning the Deliberative Committee on Agricultural and Fishery Disaster Insurance)

The Deliberative Committee on Agricultural and Fishery Disaster Insurance established under the Minister for Food, Agriculture, Forestry and Fisheries in accordance with the previous provisions as at the time this Act enters into force shall be deemed the Deliberative Committee on Agricultural Disaster Insurance or the Deliberative Committee on Fishery Disaster Insurance established in accordance with the amended provisions of Article 3 until the Deliberative Committee on Agricultural Disaster Insurance or the Deliberative Committee on Fishery Disaster Insurance is newly established in accordance with the amended provisions of Article 3.

Article 3 (Transitional Measure concerning Disaster Insurers)

A person who has entered into a disaster insurance program agreement with the Minister for Food, Agriculture, Forestry and Fisheries in accordance with the previous provisions as at the time this Act enters into force shall be deemed entered into a disaster insurance program agreement with the Minister of Agriculture, Food and Rural Affairs or the Minister of Oceans and Fisheries in accordance with the amended provisions of Article 8 (2).

Article 4 (Transitional Measure concerning Re-insurers)

A person who has entered into a re-insurance policy with the Minister for Food, Agriculture, Forestry and Fisheries in accordance with the previous provisions as at the time this Act enters into force shall be deemed entered into a re-insurance policy with the Minister of Agriculture, Food or Rural Affairs or the Minister of Oceans and Fisheries in accordance with the amended provisions of Article 20 (2).

Article 5 (Transitional Measure concerning Agricultural and Fishery Disaster Re-insurance Fund)

The Agricultural and Fishery Disaster Re-insurance Fund established in accordance with the previous provisions as at the time this Act enters into force shall be deemed established in accordance with the amended provisions of Article 21.

Article 6 Omitted.

ADDENDUM <Act No. 12729, Jun. 3, 2014>

This Act shall enter into force six months after the date of its promulgation:

Provided, That the amended provisions of Articles 11, 11-2 through 11-6, 25-2 (2) 3 and 29-2 shall enter into force one year after the date of their promulgation.

ADDENDA <Act No. 12844, Nov. 19, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That among the Acts amended pursuant to Article 6 of the Addenda, the amendments to the Acts which were promulgated before this Act enters into force but the dates on which they are to enter into force have yet to arrive shall enter into force on the dates the relevant amendments enter into force.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 13464, Aug. 11, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation:

Provided, That the amended provisions of Article 11-4 (3), (4), and (5) shall enter into force on the date of their promulgation.

Article 2 (Applicability)

The amended provisions of Article 11-4 (4) shall apply beginning with the first examination publicly announced after the amended provisions enter into force.

ADDENDA <Act No. 14242, May 29, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force on December 1, 2016. (Proviso Omitted.)

Articles 2 through 22 Omitted.

ADDENDUM <Act No. 14295, Dec. 2, 2016>

This Act shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 14296, Dec. 2, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 Omitted.

ADDENDUM <Act No. 14586, Mar. 14, 2017>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 14839, Jul. 26, 2017>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That among the Acts amended under Article 5 of Addenda, the amended parts of the Acts that were promulgated before this Act enters into force but enforcement dates thereof have yet to arrive shall enter into force on the enforcement date of the respective Acts.

Articles 2 through 6 Omitted.

ADDENDUM <Act No. 15070, Nov. 28, 2017>

This Act shall enter into force six months after the date of its promulgation.

ADDENDUM <Act No. 16969, Feb. 11, 2020>

This Act shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 17112, Mar. 24, 2020>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 13 Omitted.

ADDENDUM <Act No. 17328, May 26, 2020>

This Act shall enter into force three months after the date of its promulgation.

ADDENDUM <Act No. 17595, Dec. 8, 2020>

This Act shall enter into force three months after the date of its promulgation.

ADDENDA <Act No. 18529, Nov. 30, 2021>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation: Provided, That the amended provisions of Article 9 shall enter into force on January 1, 2022.

Article 2 (Applicability to Administrative District Units and Regional Units for Calculation of Premium Rates)

The amended provisions of Article 9 shall apply from the case of calculating the premium rate after the same amended provisions enter into force.

Last updated : 2022-12-30

