

SAMSUNG FIRE & MARINE INSURANCE

Sustainability Report 2009–2010



think **Next**

**SAMSUNG FIRE & MARINE
INSURANCE**

SAMSUNG

About This Report



Report Overview

This is the first sustainability report published by Samsung Fire & Marine Insurance (SF&MI). The report covers the company’s management activities and performances in terms of economic, social and environmental sustainability. The contents of this report have been assessed by a third party to ensure the reliability of the data contained therein.

Scope of Reporting and Period

This report covers the company’s activities and performance in terms of sustainability for the calendar years 2008 and 2009, from January 1, 2008 to December 31, 2009. However, significant data from 2010 has been included when deemed necessary. The Korean Won (KRW) is the main currency used in the report’s monetary data and the scope of the reporting includes the company’s headquarters, 28 branches, the Yuseong Training Center and the training camp of the company’s volleyball team. The report does not include the management activities of companies that have a stake or investment in SF&MI. (Significant qualitative data of 2010 activities were included, when necessary). In cases where relevant data was not available as of the reporting date, the reasons have been provided. This is the first issue of the company’s biannual sustainability report.

Reporting Principles

The Samsung Fire & Marine Insurance Sustainability Report 2009-2010 has been prepared in accordance with the GRI G3 Guidelines and GRI Financial Service Sector Supplement (FSSS). The Guidelines and Supplement are detailed in the GRI Index tables in the Appendix.

For more information

Inquiries or requests for more information regarding the contents of the report can be directed to the Corporate Planning Part, Corporate Planning Team, Samsung Fire & Marine Insurance at +82-2758-4036 by telephone and at +82-505-161-3164 by fax or e-mail to csr@samsungfire.com.

Report Information



Balance and Reliability of Report Contents

This report covers not only the company’s excellent performances in terms of sustainability, but also weak points and poor performances, ensuring balance in the contents. Based on the results of the materiality test, we reported our current status and future plans regarding the issues of major concern to our stakeholders.

Reporting Framework

We have identified issues of material sustainability during the reporting period and reduced these to core issues in terms of the company’s future directions and activities, so as to fairly reflect the major sustainability activities of the company.

Stakeholder Communications

The methods of procurement and the results of stakeholder surveys and interviews are included in the report to further enhance the objectivity of the stakeholder analysis.

GRI G3 Guidelines
Application Level



We declare that the SF&MI Sustainability Report 2009-2010 satisfies all the criteria for the “A+” level, as provided in the GRI G3 report application level guidelines. The third party assurance agency guaranteed that this report meets the requirements for “A+” level of the G3 Guidelines.

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Credit Rating Agency



Received A+ Grade from A.M. Best for Eighth Straight Year

SF&MI earned an A+ grade from the world-class credit rating agency A.M. Best for the eighth straight year, a first for a Korean insurer. A rating of A+ is the second highest of the total 16 grades, and the highest among Korean insurance companies.

Received A+ Grade from S&P for Seven Straight Years

SF&MI earned an A+ grade for financial stability and creditworthiness from the world-renowned credit rating agency Standard & Poor's (S&P). A rating of A+ is the fifth grade from the top of a total of 22 grades and is the highest grade obtained by a private Korean company and the same as that of the Korean government. This grade puts the company shoulder to shoulder with leading global insurers, demonstrating the trust and reliability investors and customers at home and abroad have come to appreciate in SF&MI.

Awards & Recognitions



Category	Organizer	Award
Management	Korea Economic Daily, Ministry of Finance & Economy	Insurance category prize at the 19th Hankyung Dasan Financial Awards
	Singapore Asia Insurance Review	Grand prize of the Asia Insurance Industry Awards
Service	Fair Trade Commission, Consumer Complaints Management System (CCMS)	Selected as certified business of the Consumer Complaints Management System (CCMS)
	Financial Supervisory Service (FSS)	Selected as an excellent financial company in consumer rights protection by the FSS
	Korea Productivity Center (KPC), Chosun Daily, University of Michigan	Topped the non-life insurance category of the National Customer Satisfaction Index for ninth consecutive year
	Korea Management Association, Consulting	Grand prize of the Customer Satisfaction Management Awards for the fifth year in a row
		Topped the auto insurance category of the Korea Customer Satisfaction Index for 13 straight years
		Topped the excellent Call Center operators in the Korea Service Quality Index
	Korea Standards Association	Topped the auto insurance category of the Korea Standards Service Quality Index (KS-SQI) for nine years in a row (topped the long-term insurance category in 2010)
		Grand prize at the Korea Service Awards for seventh year in a row
	Korea Insurance Consumer Federation (KICF)	Ranked first in the "Good Insurers" by the KICF
	Ministry of Commerce, Industry and Energy (MOCIE)	Acquired the excellent performer certification in the service quality
Internet	Korea Association of the Information and Telecommunication (KAIT)	Selected as an ePRIVACY excellent website (2002-2010)
		Selected as an i-Safe excellent website (2000-2010)
	Web Award Korea	Awarded the grand prize in the Service Innovation & Insurance category of the 2009 Web Award Korea
	Hosted by the Ministry of Commerce, Industry & Energy Sponsored by Maeil Economic Daily, Small & Medium Business Association (SMBA)	Awarded the grand prize of Commercial Transaction category of Korea Digital Competence Awards
	Korea Management Association, Management	Acquired Korea's Top Website certification
	DNV	Acquired the world's only international standard certification, 'BS7799'
	Hosted by Korea Commerce Net, Maeil Economic Daily, Chosun Daily Sponsored by the Ministry of Communication & Information , Monthly magazine CEO, Promising Information & Communication Companies Association (PICCA)	Awarded the ministerial prize at the Korea E-Commerce Awards

Corporate History



1950s

January 26, 1952 Founded as Anbo Fire & Marine Insurance Co., Ltd.

1960s

January 31, 1963 Acquired Ankuk Fire & Marine Insurance Co., Ltd.
 March 2, 1963 Company name changed to Ankuk Fire & Marine Insurance Co., Ltd.

1970s

June 1, 1975 Initial Public Offering
 May 25, 1978 Opened office in London (U.K.)
 February 4, 1979 Established the Samsung Risk Management Research Center

1980s

October 1, 1983 Launched auto insurance business
 September 1, 1985 Opened office in New York (U.S.)
 October 17, 1987 Construction of head office building completed
 March 14, 1988 Establishment of the Employee Council

1990s

April 1, 1990 Opened branch in New York.
 December 6, 1993 Company name changed to Samsung Fire & Marine Insurance Co., Ltd.
 January 10, 1994 Opened office in Tokyo (Japan)
 May 9, 1994 Opened Yuseong Training Center
 October 20, 1994 Launched Social Community Relations Team of SF&MI
 April 20, 1995 Opened Beijing office (China)
 July 15, 1995 Opened office in Ho Chi Minh City (Vietnam)
 November 11, 1995 Launched the SF&MI Volleyball Team
 June 17, 1996 Initiated the SF&MI Cup World Baduk Open Championships
 August 28, 1996 Opened office in Hanoi (Vietnam)
 November 7, 1996 Established a local subsidiary in Indonesia
 October 15, 1998 Established Samsung Fire & Marine Insurance Claim Adjustment Service Co., Ltd.

2000s

April 26, 2001 Opened branch in Shanghai (China)
 July 24, 2001 Established Samsung Traffic Safety Research Institute
 January 18, 2002 Declared 2002 as the first year for "Samsung Fire & Marine Insurance Ethical Management"
 January 26, 2002 Unveiled time capsule in commemoration of the 50th anniversary of the company
 April 2, 2002 Launched Samsung *anycar* auto insurance brand
 April 26, 2002 Won the "Most Respected property/ casualty Insurer Award" at "The First in Korea" awards sponsored by Korea Minting and Security Printing Corporation
 May 28, 2002 Established *anycar* Auto Claim Adjustment Service Co., Ltd.

March 26, 2003 Selected as the "fairest trader" by Korea Fair Trade Commission
 August 27, 2003 Established the Vietnamese joint venture "Samsung Vina Insurance"
 September 30, 2003 Opened office in Qingdao (China)
 December 30, 2003 Entered into an MOU with the China Pacific Life Insurance Company (CPIC)
 February 3, 2005 Established the Samsung Loss Control Center
 June 1, 2005 Adopted the "Customer Panels Program," a first among Korean insurers
 June 23, 2005 Established Samsung Fire & Marine Insurance (China), the first local subsidiary established by a foreign insurer in China
 July 1, 2005 Launched the "KRW 500 Gift of Hope" campaign
 September 30, 2005 Launched "Alllife" as a flagship brand for long-term insurance
 July 27, 2006 Opened Beijing office of China subsidiary
 October 20, 2006 Adopted the Consumer Complaints Management System (CCMS)
 November 27, 2006 Unveiled the Metro Pole 50, a neon sculpture
 November 29, 2006 Won "Presidential Award" at "Korea Brand Awards"
 December 1, 2006 Won the "Able Rights Awards"
 December 12, 2006 Received "Presidential Citation" at the First and Foremost Movement for Persons with Disabilities Awards
 December 20, 2006 Won "Presidential Award" at the "Digital Knowledge Management Awards"
 January 9, 2007 Samsung Traffic Safety Research Institute (STSRI) received "Samsung Award of Honor"
 January 18, 2007 Selected as "Asian Fab 50" company in the Asia Pacific Region by Forbes
 December 21, 2007 Opened Shenzhen office of China subsidiary
 July 10, 2008 Opened Suzhou office of China subsidiary
 June 9, 2008 Incumbent CEO Chi, Dae Sub took office
 November 20, 2008 Opened the first Financial Planner Center in the industry
 December 12, 2008 Opened office in Singapore
 February 26, 2009 Opened Qingdao office of China subsidiary
 March 3, 2009 Launched the Internet auto insurance brand *myanycar*
 April 23, 2009 Opened office in India
 July 1, 2009 Launched the *anyhome* homeowner's Insurance
 September 15, 2009 Opened a office in Brazil
 April 16, 2010 Celebrated the 100th store of the "KRW500 Gift of Hope"
 June 21, 2010 Entered into a comprehensive business partnership with Huatai Insurance of China
 July 14, 2010 Donated the first SF&MI Happy School

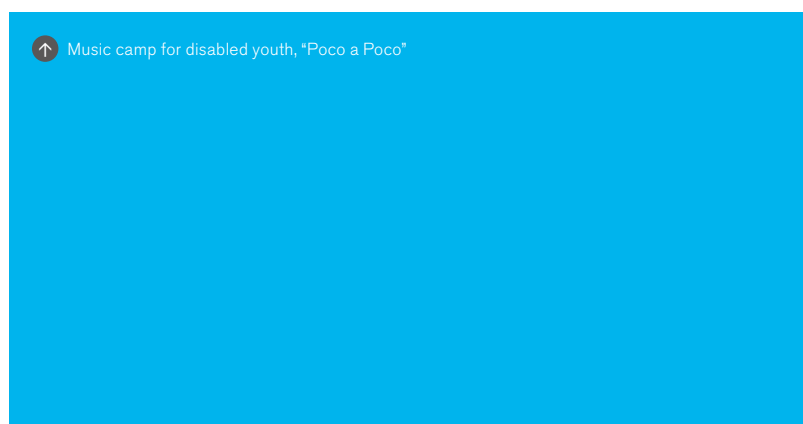
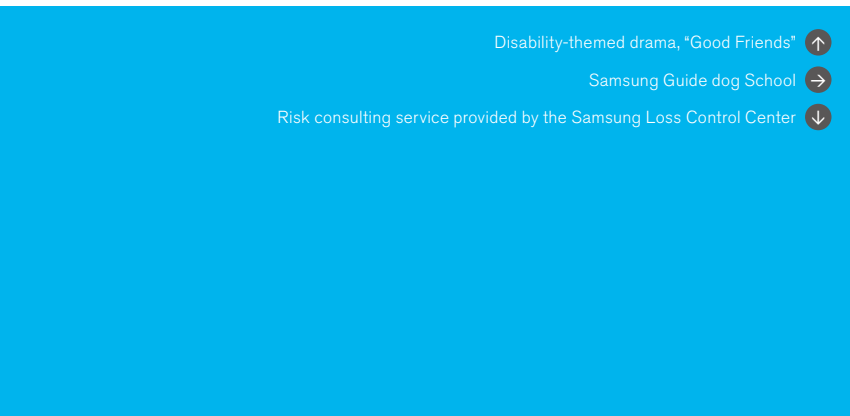
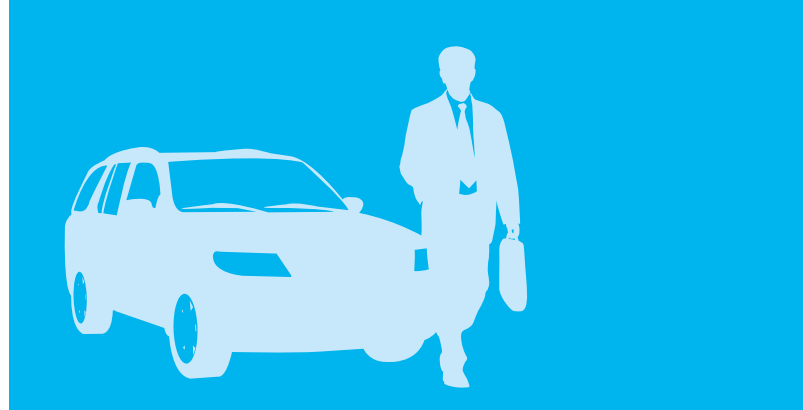
Samsung Fire & Marine Insurance continues to engage in consistent social contribution activities such as the traffic culture project, support programs for the disabled, the Samsung *anycar* Volunteer Corps, and various other programs.

Thinking of the next world where everyone can live in harmony, _____

This is our promise.



← Company library at the Headquarters



Samsung Fire & Marine Insurance has practiced its “Eco-Office” initiative since March 2009.
The initiative includes practical environmental protection activities in urban areas.
Preserving a green environment for future generations, _____

This is our hope.

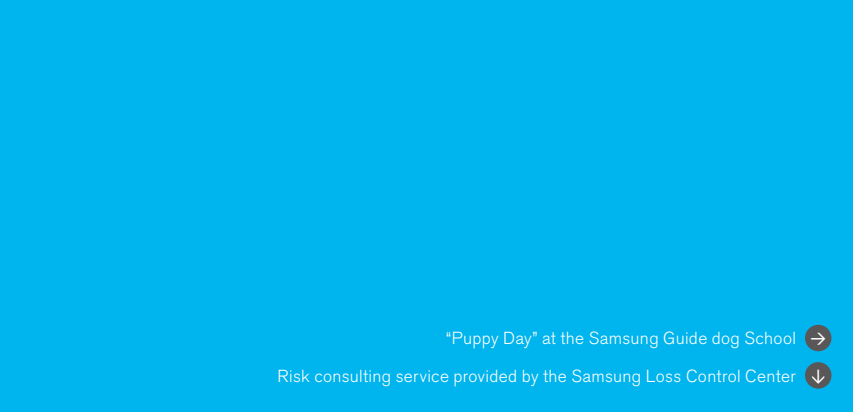


International Symposium for sustainable transportation policy ↑

anycar Land →

H1N1 Prevention Campaigns ↓





"Puppy Day" at the Samsung Guide dog School →

Risk consulting service provided by the Samsung Loss Control Center ↓



↑ Economics & Volunteer Camp for the children of premier customers

← SF&MI Summer Camp (Afterschool programs, childcare centers)

Samsung Fire & Marine Insurance heeds customers' voices through our Customer Engagement Management programs. We earn our customers' trust by being with them in every step of their lives. Building a successful future for all of our customers, ———

This is our driving force.



← Employees' Communication Volleyball Contest

↓ Firemen experience (KidZania)*

* KidZania is a unique family entertainment center, especially for children. It is a child-sized replica of a real city, where kids can play adult roles and learn about various professions.





- ↑ "Safe Seoul Festival" to raise awareness of public safety
- ← Risk consulting service provided by the Samsung Loss Control Center



- ↑ Junior Global Leaders Forum
- ← "KRW 500 Gift of Hope," Living Condition Improvement Project for the Disabled
- ↓ "Happy School," traffic and safety accident prevention project for children

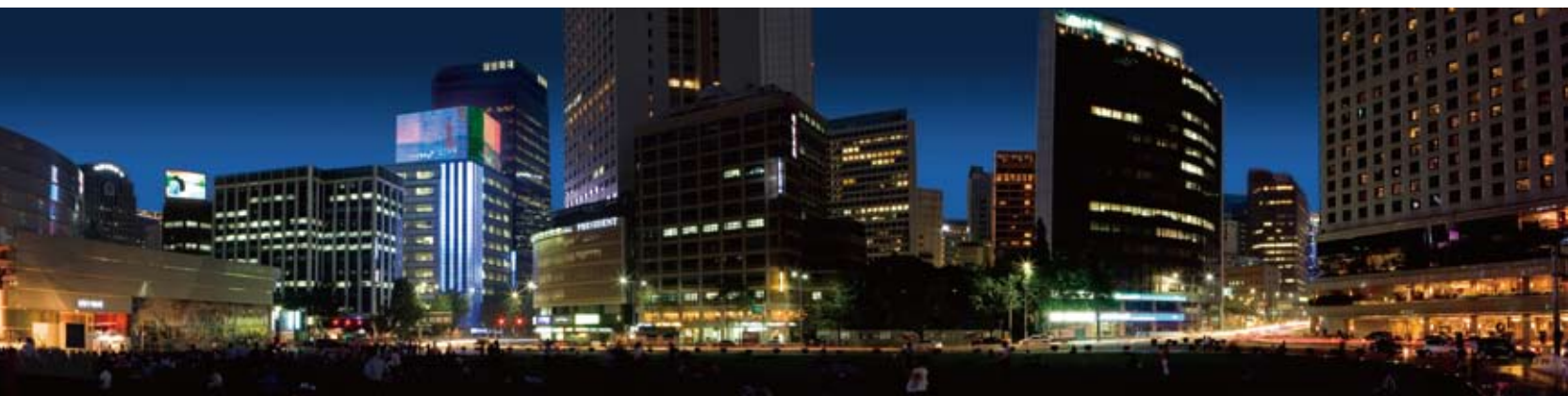


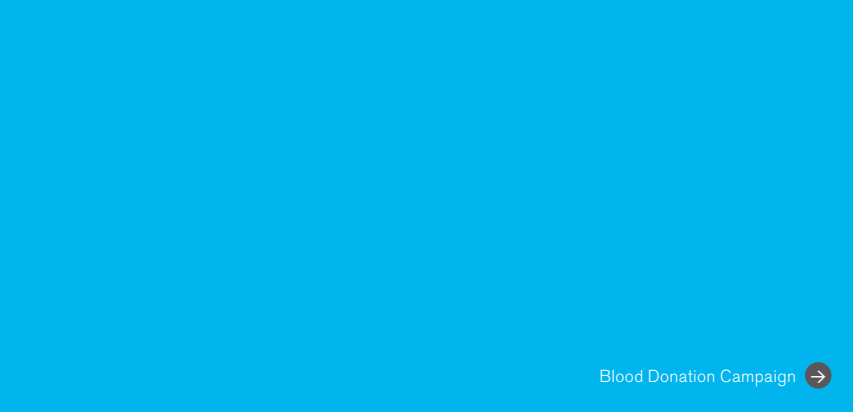
Samsung Fire & Marine Insurance has received a number of awards in many different sectors, garnering a stellar reputation from various domestic and international institutions.
The one award that gives us the most pride, however, is the award received from our customers.
Thinking of a happier tomorrow for our customers,

This is our wish.

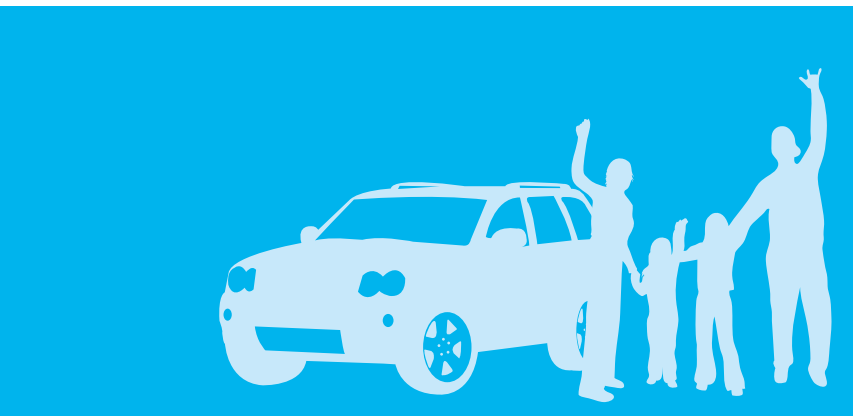


- ↑ Workplace daycare center (Dongtan Daycare Center)
- ↓ SF&MI Neon Sculpture "Metro Pole 50," viewed from the Seoul City Hall Plaza





Blood Donation Campaign →



- ↑ Samsung Transportation Museum
- ← Bluefangs Volleyball Team

CEO Message



**Our journey towards sustainability management began in 2010.
In 10 years from now, we aim to become a 'Global Top 10' company.**

Dear customers, shareholders, employees, local communities and partners,

●

Despite the rapidly-changing business environment and the financial crisis, Samsung Fire & Marine Insurance (SF&MI) realized an outstanding performance in 2009, on the strength of high growth potential and financial stability as Korea's leading non-life insurer. In effect, the highest ever credit ratings earned by a Korean company from global credit agencies, such as S&P and A.M.Best, attest to our stance as Korea's leading investment destination among insurance companies.

Not content to rest on these laurels, SF&MI announced Vision 2020, which articulates our aim to actively expand overseas and achieve annual sales of KRW 30 trillion, making SF&MI one of the top 10 non-life insurers by 2020.

Fully aware that these remarkable achievements would not have been possible without the unwavering trust and support of our customers and society, we have been striving to give back to the society through various community engagement programs—improving traffic culture, sponsoring bereaved families of traffic accident victims, training and donating guide dogs to visually-challenged people, improving living conditions for the disabled and various volunteer activities by our employees through the *anycar* Volunteer Corps.

Our consistent commitment to customer satisfaction management was rewarded with wide recognition by several external evaluations: earning the top spot among non-life insurers on the National Customer Satisfaction Index for ninth consecutive year, at the top of the Korea Customer Satisfaction Index for the thirteenth year in a row, and winning the grand prize at the Korea Service Awards for the seventh consecutive year.

The 2008 global financial crisis has put corporate roles and responsibilities to society into perspective. Corporate social responsibility is as important to enhancing corporate value as is realizing excellent business results. Therefore, we set the year 2010 as the beginning of our systemized commitment to sustainability management. To this end, we are publishing this report to create a more organized social contribution network and to promote active engagement in environmental and economic global issues.

While reinforcing communication with our stakeholders including our customers, shareholders, employees, local communities and partners, we will proactively share our strategies and achievements with them to achieve mutual growth through win-win partnerships. Therefore, your trust and encouragement are critical to our attainment of the lofty goal of becoming a global top 10 insurer by 2020.

I humbly ask for your unwavering encouragement and support in our journey towards attaining that goal.

Thank you.

October 4, 2010

DaeSub Chi President & CEO

D. S. Chi

01

SAMSUNG FIRE & MARINE INSURANCE

- Corporate Overview



People are beautiful because they cherish dreams.
Dreamers make the world a better place.
Samsung Fire & Marine Insurance is
creating a beautiful world with its warmhearted and honorable vision.

014	Corporate Overview
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024	Ethical Management & Internal Control



Incorporated on January 26, 1952 as Korea Anbo Fire Marine Insurance Co., the company was renamed as Samsung Fire & Marine Insurance Co., Ltd. (SF&MI) in December of 1993. As Korea’s leading domestic non-life insurance company in terms of size, financial structure, and management, we have offices in the U.S., Europe, and Asian countries such as China, Indonesia, Japan, and Vietnam. We are currently expanding our network of operations in cooperation with top foreign insurance companies so as to become a truly world-class financial institution capable of providing a full range of services.

SF&MI will further strive to raise its competitiveness so as to enhance customer satisfaction and shareholder value by adopting advanced financial engineering, reinforcing product development, fostering innovative insurance marketing and underwriting technologies, reinforcing our employees’ competencies, establishing an efficient claims service system, and proactively responding to sustainability issues.

Corporate Profile

Name	Samsung Fire & Marine Insurance
Address	Samsung Insurance Building, 87, Euljiro-1ga, Jung-gu, Seoul, Korea
Establishment	January 26, 1952
Business Type	Non-life Insurance
CEO	Chi, Dae Sub
Total Assets	KRW 26,655.9 billion
Total Shareholders' Equity	KRW 26.5 billion
Revenue	KRW 10,895.1 billion
Workforce	5,321 persons (regular: 5,146 persons, contract-based: 175 persons)
Credit Ratings	AM.Best (A+, 8 years in a row), S&P (A+, 7 years in a row)
Affiliated Organizations	Samsung Traffic Safety Research Institute, Yuseong Training Center, Samsung Transportation Museum, Samsung Guide dog School, Samsung Loss Control Center
Subsidiaries	P.T.Asuransi Samsung Tugu, Samsung Vina Insurance Co.,Ltd, Samsung Fire & Marine Insurance (China) Company, SF&MI Claim Adjustment Service Co., Ltd., anycar Auto Claim Adjustment Service Co., Ltd.
Major Shareholders	Foreign investors 49.53%, domestic institutional investors 18.71%, affiliated persons 18.64%, treasury stocks 7.88%, others 5.24%

Subsidiaries

(As of Dec. 31, 2009)

Name	Location	Paid-in Capital	Share (%)
P.T.Asuransi Samsung Tugu	Jakarta, Indonesia	KRW 1.85 bil. (Rp 15.0 bil.)	70
Samsung Vina Insurance Co.,Ltd	Ho Chi Min City, Vietnam	KRW 3.03 bil. (\$2,500,000)	50
Samsung Fire & Marine Insurance (China) Company	Shanghai, China	KRW 48.3 bil. (\$29,210,000)	100
SF&MI Claim Adjustment Service Co., Ltd.	Seoul, Korea	KRW 1.1 bil.	96.79
anycar Auto Claim Adjustment Service Co., Ltd	Seoul, Korea	KRW 50 mil.	100

The Management Policies of Samsung Fire & Marine Insurance

Samsung Fire & Marine Insurance (SF&MI) aspires to be a top global company, one that effectively contributes to humanity through the creation of the finest products and services in the industry as developed by our high-quality human resources and state-of-the-art technologies. To reach this objective, we proclaim our commitment to “People,” “Excellence,” “Change,” “Integrity,” and “Co-prosperity.” In seeking to comply with all relevant laws and to fulfill our corporate social and ethical responsibilities, we have set and begun to implement these five management principles. We have also developed behavioral guidelines to enhance compliance.

Management Principles

Principle 1	Principle 2	Principle 3	Principle 4	Principle 5
We seek to act ethically while complying with all relevant laws.	We aim to foster an organizational culture based on integrity.	We respect our customers, shareholders, and employees.	We value health, safety and the natural environment.	We aim to fully carry out our social responsibilities as a global corporate citizen.
<ul style="list-style-type: none"> – We value individuality and diversity. – We aim to compete fairly, ethically and on an equal footing with our competitors. – We maintain transparency through accurate documentation of our accounting practices. – We take a neutral stance politically, choosing not to be involved in politics. 	<ul style="list-style-type: none"> – We draw a clear line between official and private matters in all business activities. – We protect the intellectual property rights of the company and of others. – We seek to maintain a sound organizational culture. 	<ul style="list-style-type: none"> – We prioritize management activities that guarantee customer satisfaction. – We seek to focus on shareholder value. – We aim to enhance the quality of life of our employees. 	<ul style="list-style-type: none"> – We strive to exercise environment-friendly management practices and processes. – We have placed a priority on improving human health and security. 	<ul style="list-style-type: none"> – We seek to fulfill our basic obligations as a corporate citizen. – We collaborate with local communities while respecting their unique social and cultural characteristics. – We aim to establish beneficial partnerships with our business partners based on mutual prosperity.

Organization

SF&MI boasts a flexible organization that facilitates rapid decision-making and swift authorizations. The organization consists of four offices, 19 departments, and 15 teams under five chief officers and five divisions. In addition, it has three training and research affiliates; the Samsung Loss Control Center, Samsung Traffic Safety Research Institute, and Samsung Transportation Museum.

Organization (as of 2009)



- anycar Lady Auto Insurance
- Any Biz Comprehensive Insurance



Products & Services

Samsung Fire & Marine Insurance offers a wide array of products and services tailored to the individual needs of customers through its extensive distribution network.

Samsung Fire & Marine Insurance Product & Service Portfolio

Product & Service	Category	Descriptions
Insurance	Auto/ Drivers'	anycar Auto Insurance
	Health/ Children	Integrated policy-Super V, child insurance-Mother care, child insurance-Father care, health insurance-New Era Health Partner, health insurance-S Care, New Hope Coverage Insurance
	Pension/ Savings	Pension insurance-Beautiful Life, savings insurance- Super Save
	Travel/ Leisure	International travel insurance, domestic travel insurance, global care insurance, golf insurance, green bicycle insurance
	Fire/ Properties	Total home care- My Happy Home, properties insurance-New Business, Anyhome Comprehensive Insurance
	Business	Any Biz Comprehensive Insurance, insurance on cargo, PL insurance
Loan/ Finance	Policy Loan	Policy loan
	Secured Loan	Apartment mortgage loan, apartment successful bid balance loan, mortgage loan by Korea Housing Corporation
	Pension Plan	Guaranteed Interest Contract (GIC), interest-sensitive product, dividend-mixed, index-linked
	Mutual Funds	Samsung Strike Securities Investment Trust No. 1 [equity], Samsung Group Value Index Securities For You Investment Trust No. 1 [equity] and 56 more
Service	Products/ Affiliated Services	Car maintenance service, health check-up reservation service, golf booking service, insect pest control discount, language camp discount
	anycar Services	Road side assistance service, vehicle diagnostics, car cleaning, inspection, car-scrapping service
	Membership Affiliated Services	Honey Bean Point, Virus Vaccine, Book digest service

Samsung Fire & Marine Insurance promotes transparency in management through its Board of Directors. Outside directors make up the majority of the board, which is responsible for monitoring the performances of the company's executive management. While working to enhance shareholder value, the board ensures that all of its decision-making practices are in harmony with the triple bottom-lines of sustainability management; the economy, society and the environment.

Composition and Role of the Board

Composition

SF&MI's Board of Directors (BOD), as the highest decision-making body in the organization, monitors management decisions in terms of the company's commitment to social responsibility while safeguarding shareholder value. SF&MI fully supports the independence and transparency of the BOD's processes and procedures. In addition, Article 10 of the Outside Director Candidate Recommendation Committee's guidelines stipulates the standards of expertise required of board members. Under these regulations, the BOD is comprised of three inside and four outside directors who have extensive experience and profound expertise in their respective fields of law, accounting and management. Making up 57% of the board, outside directors ensure transparency in the BOD's operations and procedures. All directors are elected through resolutions put forward at the general shareholders' meetings.

SF&MI separates the positions of the chair of the board from the CEO, reinforcing the efficiency and accountability of the CEO as well as that of management in general.

Corporate Directory

Category	Name	Position	Specialty	Gender
Inside Directors	Chi, Dae Sub	President & CEO/ All Divisions	Management	Male
	Rhee, Jong Sung	Senior Vice President/ Corporate Management Support	Management	Male
	Lee, Jae Sik	Auditing Director	Management	Male
Outside Director	Kim, Young Chul	Outside Director/ Chairman of the Board	Laws	Male
	Kim, Kang Jung	Outside Director	Media	Male
	Lee, Won Chang	Outside Director/ Chair of Audit Committee	Accounting	Male
	Shin, Heon Cheol	Outside Director/ Audit Committee	Management	Male

BOD Operations & Roles

In addition to regular quarterly meetings, the BOD holds ad-hoc meetings, when necessary, to deliberate on and resolve matters related to important management issues on the agenda as stipulated in the company's laws and Articles of Incorporation. The board also guides the company's management in terms of sustainability as it resolves key issues such as the retirement plan, evaluations of internal controls, the monitoring of ethics and compliance issues and the selection of a compliance officer. Every year, the BOD reports the performances of the outside directors in terms of the three pillars of sustainability.

The board, for its part, also keeps track of the outside directors' performances in terms of attendance at meetings. In 2009, the attendance rate of the outside directors stood at 100%. Remuneration for the directors is approved by shareholders at the general shareholders' meetings in accordance with regulations and the Articles of Incorporation governing remuneration.

In order to prevent conflicts of interest, Article 11 of the Board of Directors' Regulations prohibits directors with direct interests in the affected agenda from exercising their normal voting rights.

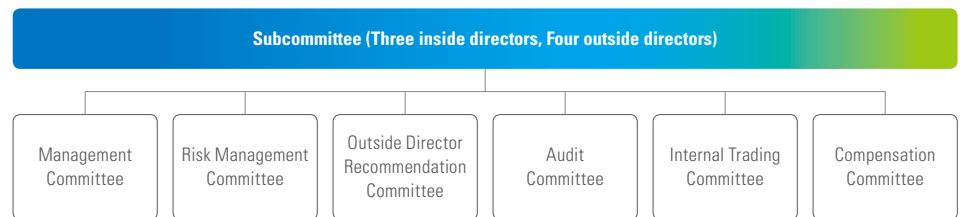
BOD Operations Performances & Resolutions

Date	Agenda	Outside Directors Participation Rate (%)
Feb. 24, 2009.	<ul style="list-style-type: none"> – Reporting the 2008 Business Results and 2009 Business Plan – Reporting on the audit results – Investment in the subsidiary in Vietnam – Investment in the subsidiary in Brazil – Subscription to corporate pension plan – Contribution to Microfinance Foundation 	100
Apr. 17, 2009.	<ul style="list-style-type: none"> – Approval of the Financial Statement & Business Report for the 59th fiscal year – Amendment to the Internal Control of Financial Reporting – Reporting the internal control audit 	100
May 8, 2009.	<ul style="list-style-type: none"> – Convening of the 59th General Shareholders' Meeting – Referring the agenda to the 59th General Shareholders' Meeting – Reporting the operational practice of the Internal Control of Financial Reporting – Reporting the evaluation results of the operational practice of the Internal Control of Financial Reporting – Reporting the 59th fiscal year settlement to chief actuary 	100
June 4, 2009.	<ul style="list-style-type: none"> – Appointment of the Chairman of the Board – Appointment of subcommittee members – Approval of the limit remuneration for directors 	100
Sep. 2, 2009.	<ul style="list-style-type: none"> – Reporting the business results for the period from January to July of 2009 – Reporting the internal control audit results – Subscription to corporate pension plan 	100
Dec. 9, 2009.	<ul style="list-style-type: none"> – Reporting the business results for the period from January to October of 2009 – Approval of the trust investment of fixed bonds – Subscription to corporate pension plan – Amendment to the Internal Control Standards 	100

Subcommittee

Six subcommittees operate under the guidance of the Board of Directors to reinforce expertise and fairness in the board. The six subcommittees are the following: the Management Committee, Enterprise Risk Management Committee, Internal Trading Committee, Audit Committee, Outside Director Recommendation Committee, and Remuneration Committee. The Management Committee makes decisions relevant to management and sustainability matters as delegated by the BOD. The Enterprise Risk Management Committee oversees risk management practices, such as those related to efficiency, the supervision of corporate risk and the establishment and evaluation of risk management policies. The Internal Trading Committee monitors and controls significant internal trading among subsidiaries. The Audit Committee conducts audits for the quarterly settlement of accounts and the management status of accounting practices. The Outside Director Recommendation Committee recommends candidates as outside directors at general shareholders' meetings. The Remuneration Committee plans and operates the remuneration schemes and determines the appropriate remuneration for executives in consideration of enterprise risk.

Subcommittee



Executive Performance Evaluation

The performances of the CEO and other executives are subject to evaluation on a regular basis. In line with SF&MI's corporate goals and evaluation policies are key performance indicators (KPI), which serve as the criteria for feedback and the processing of final evaluations. Common goals are set in terms of transparency and synergy among business areas to ensure fairness in the evaluation process.

Strengthening Transparency

Protecting Shareholders' Rights

Relevant information regarding significant management decisions are disclosed in a timely manner to shareholders and other stakeholders. Furthermore, since FY2007, we have continued a policy of offering shareholders a 300% dividend payment and amortized KRW260 billion in profits to protect shareholder value. We also utilize industry-leading methodologies in feasibility studies of new investment opportunities.

An increased awareness of shareholder rights by market players has increased management risk in terms of the potential for litigation and class action suits by shareholders or consumers regarding securities and other issues. In response, since 1997, we have provided our directors and officers with liability coverage as protection to guarantee independence and responsibility in making management decisions and instituting the practices and policies of top management.

Shareholders who qualify for the given criteria can request of the board that particular items or issues be placed on the agenda of general shareholders' meetings, and are allowed to ask questions or request explanations regarding those issues during the general shareholder's meetings.

Corporate Governance

For the transparent disclosure of management information, we have adopted Disclosure Controls & Procedures (DC&P) a system based on global standards, for more effective internal control of financial reporting. All data slated for disclosure undergoes a preliminary verification process and the resultant business reports are verified by the CEO and CFO before disclosure.

The SAP Financial Information System is applied to ensure the reliability of the settlement data and the systematic history of relevant management practices. The Integrated Interface System enables the integration of data management, ensuring transparency in the control of financial information.

The internal auditor ensures the sound management of the internal control system, effectively contributing to the sustainable growth of the company. To ensure transparency and adherence to ethical standards, the internal auditor oversees the financial and non-financial performances of the company. In particular, transparency is essential to the continuity of a company, enabling the BOD, Audit Committee and top management to fulfill their respective responsibilities and duties. The internal audit program includes the self-regulation of internal controls, risk assessments and application system (RAAS), as well as the internal monitoring of the company's disclosure practices.

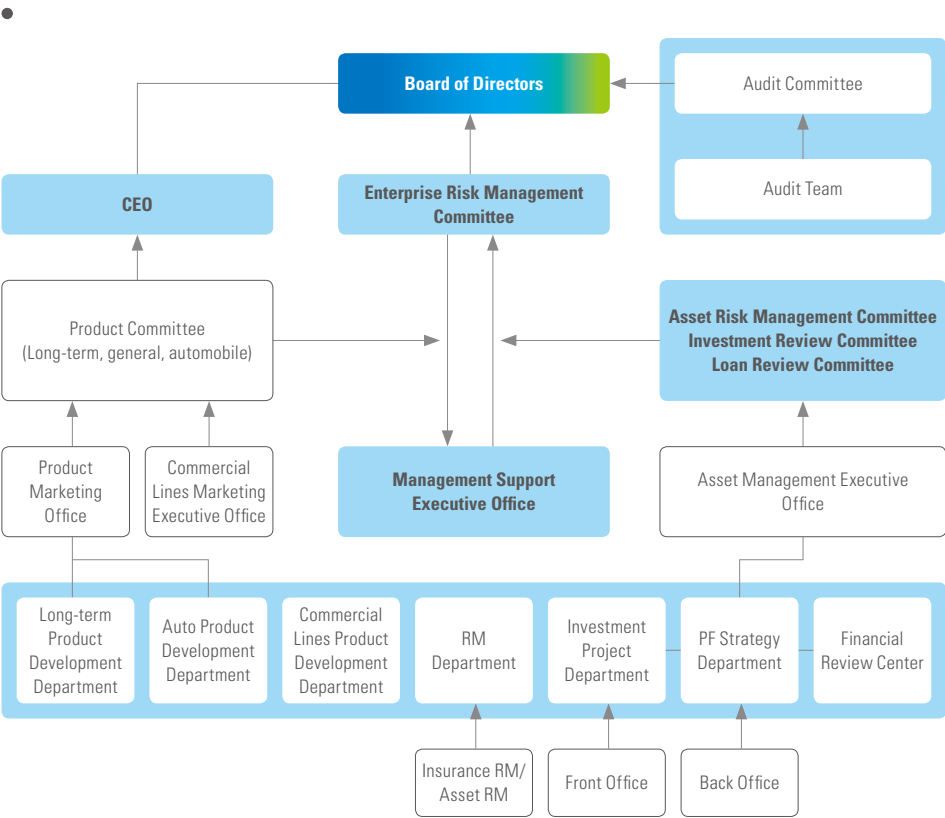
We take a preemptive approach in our risk management practices. By monitoring risk and preventing potential risk factors from affecting growth and profitability, we ensure soundness and stability in the operations of the company. Activities aimed at preventing and minimizing losses are an important element in our efforts to achieve sustainable growth.

Enterprise Risk Management System

In response to the changing financial market, we instituted internal risk management regulations and set up a Risk Management Committee in 1999. As a subcommittee of the board, the committee holds five to nine meetings every year to formulate and amend risk management regulations and to cap investment in accordance with mandated levels of risk tolerance. The committee monitors risk on an on-going basis and enacts appropriate countermeasures.

In supporting the Risk Management Committee, the Corporate Risk Management Dept. develops and sets the guidelines and standards to be utilized in a systematic company-wide risk management process. It also offers systematic support and provides support personnel to aid the board in more effectively managing risk, and operates a risk management council and other programs tasked with the establishment of risk management practices.

Risk Management Organization



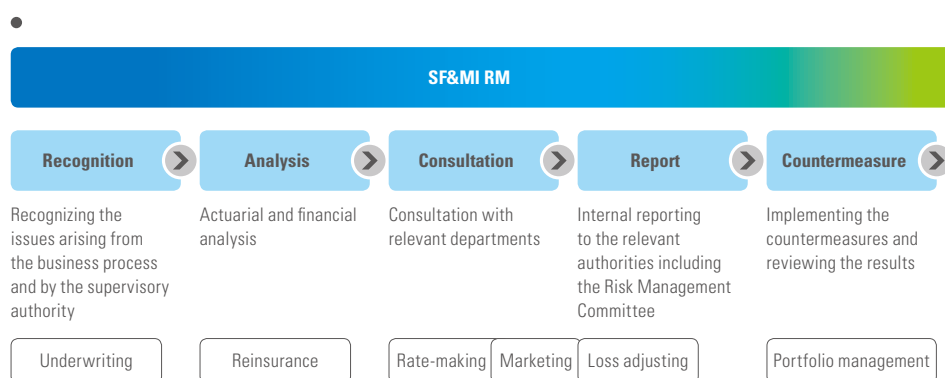
ERM : Enterprise Risk Management

In recent times, the rapidly changing business environment has caused increased uncertainty in the markets. Consequently, risk management has become ever more important to a company's well-being. Well aware of this, we established, on a company-wide level, an enterprise risk management system for integrated risk management and are continuously updating the system to the changing environmental factors. Starting with the asset management and insurance businesses, the new risk management practices are being incorporated into each department's business activities as we seek to establish an integrated risk management system.

Risk Management Process

SF&MI's risk management process encompasses five steps: recognizing, determining, consulting, reporting and instituting countermeasures. Following these steps, the risk management department detects and determines the level of risk arising during the course of the company's normal business processes, including product development, underwriting, marketing, and asset management. The department then assesses the profitability at stake due to the risks involved. In particular, the product development review entails the examination of financial, ethical and legal risk. Based on the results of the risk assessment, the RM department consults with related departments to determine appropriate countermeasures, which are implemented by the departments as the first line of defense. The RM department then reviews and monitors the performances of each department and provides feedback.

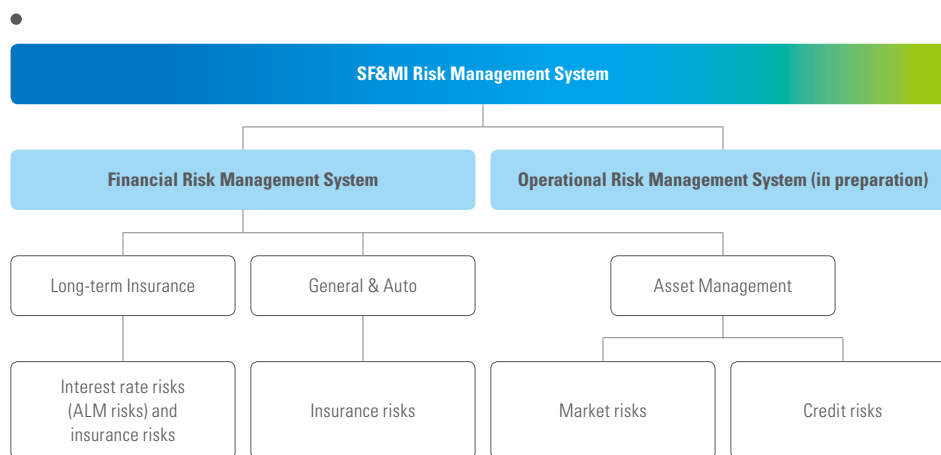
Risk Management Process



Risk Analysis & Management

SF&MI became the first Korean insurer to establish a risk assessment system. Utilizing our advanced IT infrastructure, we effectively monitor and control market, credit, ALM and insurance risk. The risk assessment system runs scenario analyses and analyzes how each scenario impacts the corporate revenue structure. The results of these tests affect our pricing policies, guidelines on insurance product profitability, risk and loss analyses of investment products and the determination of duration of investments.

Risk Measuring System



Risk Definition & Control

●

Type	Definition
Interest rate risks (ALM risks)	<ul style="list-style-type: none">– Risk of decrease in net asset value arising from the discrepancy between the maturity of assets and liabilities and interest rate structure– Minimizing the discrepancy in the asset-liability through Strategic Asset Allocation (SAA) and Product Mix Strategy
Insurance risks	<ul style="list-style-type: none">– Risks arising from the normal insurance business practices of underwriting and claims– While monitoring the exposures to insurance risks, developing reinsurance strategies in consideration of the tolerable risk level
Market risks	<ul style="list-style-type: none">– Risk of loss arising from the changing portfolio values due to the volatility in the stock prices, interest rates and foreign exchange rates– Running scenario and sensitivity test to measure and control the potential changes in the estimated profits arising from the changing market factors
Credit risks	<ul style="list-style-type: none">– Risk of loss suffering from the failure of redeeming the principal or interest of assets due to the borrower's bankruptcy, debt restructuring, etc.– Monitoring the credit ratings of borrowers and industries and the credit risks of the entire portfolio
Operational risks	<ul style="list-style-type: none">– Risk of loss arising from failure in the internal control system, human errors or system failure

- Acquired BCM certification
- BCM mock drill



Risk Capital Allocation

SF&MI's Risk Management Committee sets the annual economic capital limits by risk type and monitors, on a monthly basis, if the risk exceeds given limits. The committee also determines and announces the annual embedded value of corporate holdings as a long-term estimate of corporate value.

Strategic Decision-making Process

SF&MI sets the annual Strategic Asset Allocation (SAA), reinsurance and other important risk management strategies. In terms of asset management, the committee sets the SAA strategies at the beginning of each year. The Asset Management Department executes Tactical Asset Allocation (TAA) in line with SAA strategies to outperform target levels. The committee then assesses and provides feedback on asset management performances and their attainment of SAA-set targets.

Asset Management Process

Step 1: Setting up the SAA strategies (Risk Management Committee)	Step 2: Setting up the TAA (Asset Management Department)	Step 3: Feedback (Risk Management Committee)
<ul style="list-style-type: none"> - Developing the SAA in consideration of the debt structure - Setting the guidelines and target duration of asset portfolios 	<ul style="list-style-type: none"> - Devising the detailed TAA to exceed the targets under the SAA strategy - Evaluation of profits and duration by asset type 	<ul style="list-style-type: none"> - Evaluation of the attainment of the SAA target

Crisis Management System

In the event of a disruption in corporate management and stakeholder businesses arising from failure of the IT system due to fire, accidental release of hazardous gases or materials, storms or other disasters, emergency response measures are required to allow business to continue as usual. To prepare for such risks, we operate a Business Continuity Management (BCM) system. In the new BIS guidelines, the BCM system is considered to be an integral part of the risk management system.

In particular, we acquired international BCM certification in June 2010, a first among Korean non-life insurers, evidence of our excellent risk response system and the security of our insurance business.

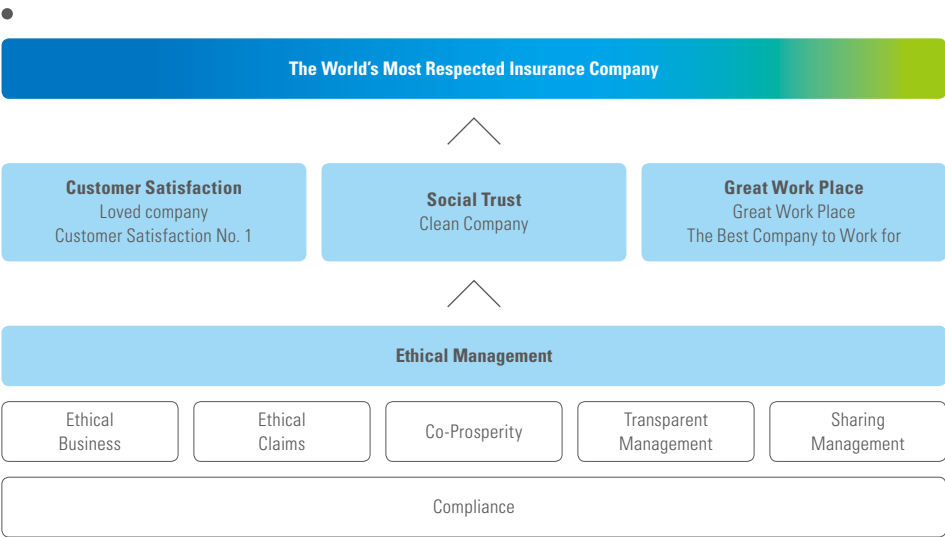
Ethical Management Practices

SF&MI adopted ethical management practices as early as 2000, when it introduced a Compliance Officer in response to social and customer demand for greater ethics in business. In 2001, we became the first Korean insurer to institute a Compliance Program. In 2002, we began to incorporate ethical management practices in our business activities and established the code of ethics and behavioral guidelines. Since then, we have enacted behavioral guidelines for our employees and established principles of ethical management and the code of conduct as part of our efforts to incorporate ethical practices into our business activities. These efforts have successfully instilled an ethical mindset in our employees and improved systems and regulations. While seeking to fulfill our mission and role as a leading company in Korea, we have equipped the company with ethical practices of a global standard as an exemplary company. In preparation for the company's achievement of an ISO 26000 rating, slated to take effect in 2011, we have strengthened our monitoring of such issues as human rights, corporate governance, fairness in transactions, consumer issues and community engagement as well as ethical management.

Ethical Management Performances

Step 1. Introduction	Step 2. Development	Step 3. Establishment
Appointment of Compliance Officer (2000) – Setting up the Compliance Team – Instituting the internal control guidelines – Assigning compliance staff	Revision to the Code of Ethics & Behavioral Guidelines (2001) – Opening the ethical management website – Cyber training of ethical management Declaration of Ethical Management (2002) – Revision to the Code of Conduct – Revision to the Internal Control Guidelines – Launch of the Ethics Committee – Pledge of the ethical management	Revision to the Code of Ethics (2003–2004) – Reorganizing the Ethics Committee – Launch of the Ethics Practice Secretariat – Compliance monitoring – Pledge of the ethical management Declaration of the management principles (2005–2009) – Institution & declaration of the management principles & core values – Pledge to the management principles – Launch of the Management Principles Practice Committee

Ethical Management Strategy



Code of Conduct for Employees

Committed to establishing ethical management practices, SF&MI announced the introduction of the code of conduct at the company's 57th anniversary, held in 2009, at which all employees pledged their commitment to ethical management. The code of conduct set forth five key values: customer-orientation; sense of ownership; entrepreneurial spirit; professionalism; and compliance.

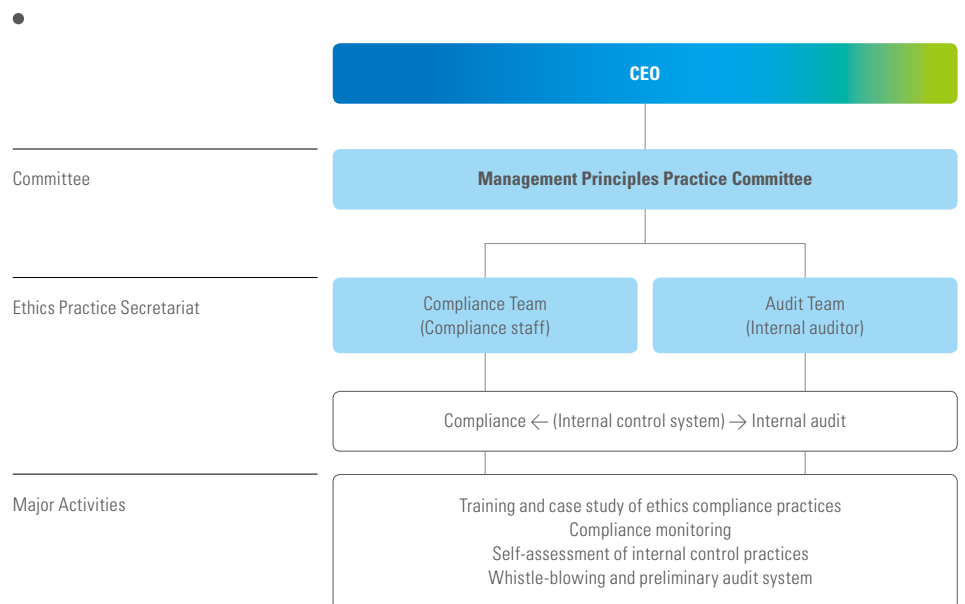
Five Key Values of the Code of Conduct

Customer-orientation	We take a customer-oriented approach in fulfillment of our daily duties.
Sense of Ownership	The corporate changes originate from me. I am the one that bring about changes.
Entrepreneurial Spirit	We embrace the world with passion and pioneering spirit.
Professionalism	We always think, strive and practice to become the best of our own fields.
Compliance	We comply with the laws and ethics.

Ethical Management Organization

We run an ethical management organization to align our management policies with our practical competencies. Under the company's Ethical Management Policy, we are at the forefront in the practice of ethical sales, ethical claims, co-prosperity, and transparent management. We have also implemented ethical management practices, monitored on a daily basis, internal controls and inaugurated whistle-blower/ preliminary audit systems.

Ethical Management Organization





Ethics Training

SF&MI runs on- and off-line training programs to instill an ethical mindset in our employees and help them put these principles into action. In 2009, a total of 9,184 persons completed two online courses and 1,376 employees and Risk Consultants (RC) attended a total of 35 offline courses.

Ethics Training Performances

Category	Contents	Target	Remark
e-Shared Values	Management principles, customer orientation, sense of ownership, entrepreneurial spirit, professionalism, compliance	All employees	Online
Easy-to-understand Compliance Risk	Compliance Risk beginners' course	RC	Online
Common courses	Compliance beginners' course & management principles, etc.	New employees/ newly promoted	Offline
Personal lines	3 Major CRs, customer satisfaction sales process	Sales managers/ RC	Offline
Auto claims	Prevention of monetary incidents, internal control, anti-trust	Claim officers/ special investigation	Offline
Products/ Commercial lines	Compliance program, anti-money laundering	Salespersons/ Underwriter/ tellers	Offline

We also run an “e-Shared Value” training program for the entire workforce. This program covers such subjects as ‘management principles’, ‘customer-orientation’, ‘ownership’, ‘entrepreneurial spirit’, and ‘professionalism’, and especially focuses on compliance and ethics. The ‘compliance’ part covers the internal control system, anti-money laundering efforts, personal information security, compliance with fair trade and the prevention of insurance fraud and other irregularities. These programs are all aimed at instilling a compliance focused mindset in our employees in line with the company’s transparent and stringent ethical management practices.

Internal Control

Fair Competition Internal Checking Organization

The Internal Trading Committee monitors the fairness of the company’s internal trading practices to ensure compliance with mandated standards. The committee aims to enhance transparency in the company’s internal trading practices. Comprised of three outside directors, the committee examines significant internal trading among subsidiaries and takes action if warranted. Transactions worth more than KRW10.0 billion are subject to review and are scrutinized for improper internal trading. Transactions under this amount are reviewed only when the facilitator deems it necessary. Any detection of irregularities by an employee is also reviewed and offenders may face punishment, fines or dismissal in accordance with relevant regulations and proceedings.

- Compliance Declaration Ceremony
- • Whistle-blowing website



From 2007 to 2009, SF&MI received fines totaling KRW14.705 billion for violations of the Fair Trade Act. In response, as a follow-up measure, the company strengthened its Compliance Program to eradicate irregularities and corruption within the organization. Fraudulent advertising and illegal marketing practices are prohibited by Korean law, and the company has internal regulations and bylaws related to these issues.

Fair Trade Commission Reviews

Year	No. of Cases Reviewed	Findings
2007	5 cases	– 3 cases including not guilty and not reviewed – Measures after conclusion: 2 cases
2008	6 cases	– 4 cases including not guilty and closed case – Measures after conclusion: 2 cases
2009	5 cases	– 5 cases including not guilty and closed case

Compliance

As early as 2001, SF&MI proclaimed its determination to institute fair trade practices in the financial industry. Based on a set of “Compliance Guidelines” prepared through public hearings by the Compliance Committee, we developed our Compliance Program, which stipulated the code of ethics for fair trading, behavioral guidelines, regulations on counter-measures, as well as checklists and guiding principles on whistle-blowing. Furthermore, we published and distributed a Compliance Program Manual. We also phased in training programs, starting with the departments and staff directly exposed to compliance risk. We intend to remain steadfast to the principles and basics of our business operations and to incorporate compliance practices into our corporate culture.

SF&MI respects the political rights and values of individuals in accordance with its management principles. The company maintains a complete hands-off approach to political activities and maintains a stance of neutrality as constituted by company regulations. The regulations also prohibit the company from using its capital, resources or facilities for political purposes and include a ban on bribery or the payment of illegal political funds.

Whistle-Blowing Channels

We operate a Whistle Blower Program, an internal reporting channel, which allows individuals to report on unethical business practices or to suggest improvements. As a direct channel for whistle-blowers, the program encourages the reporting of violations of the code of ethics, irregularities by employees, non-compliance, unethical practices in policy-selling and suggestions regarding business practices. Reporters can either use the website or make a phone call, anonymity guaranteed. Currently two or three cases are reported every month through the program. The reporter and offenders remain anonymous and are protected under company regulations and any violation of privacy in this regard is subject to sanctions.

02

SAMSUNG FIRE & MARINE INSURANCE

- Sustainability Management at SF&MI



What fills our hearts with gratitude? What makes our minds strong?
What touches our hearts tenderly? "Hope" does.
Samsung Fire & Marine cherishes that "hope" and
strives to take the lead in creating a better future for our customers.

030 _____ Sustainability Management Strategies

034 _____ Stakeholder Communication



Sustainability Management System

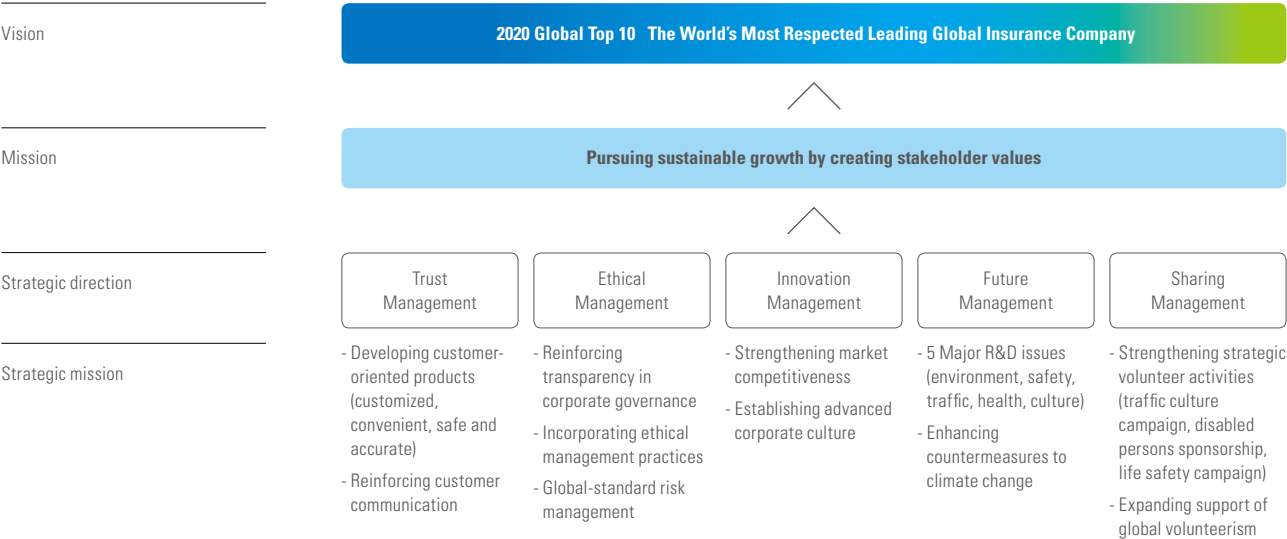
Despite fierce competition and uncertainty abounding in global markets, SF&MI has set its vision as, “2020 Global Top 10,” in which we aim to become one of the top 10 global insurance companies by 2020. In line with this vision, we have developed sustainability strategies and set up five departments, as well as the Management Committee and Management Principle Practice Committee as the practitioners of the sustainability strategies.

For trust management, we have developed strategic missions to develop customer-oriented products and reinforce our communications with customers. This will strengthen the competencies of our customer satisfaction service as a function of the corporate culture at SF&MI. Our plans for ethical management entail the securing of greater transparency. We will work to establish transparency in our corporate governance by continuing to in corporate ethics into management practices and implementing risk management practices at global standards. The management of innovation involves efforts to reinforce our market competitiveness and establish an advanced corporate culture, thereby enhancing the corporate value of SF&MI.

Our future-oriented management aims to develop new growth engines for the future through five R&D issues; the environment, safety, transportation, health and culture, while proactively tackling climate change issues. The concept of sharing in management capitalizes on our social contributions both domestic and overseas.

By developing a corporate culture that adheres to basics and principles, we will become a trusted insurance company; one that pursues co-prosperity with society in terms of the economic, social and environmental aspects of our business.

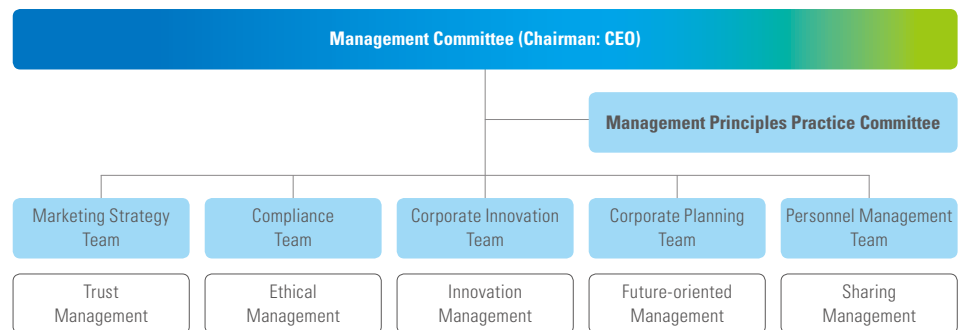
SF&MI Sustainability Management Strategies



Mid-to Long-term Sustainability Management Strategy Roadmap

Step 1 (~2012) Laying foundation for sustainability management	Step 2 (~2015) Establishing sustainability management	Step 3 (~2020) Ensuring sustainability management leadership
<ul style="list-style-type: none"> - Publishing sustainability report - Establishing the five major R&D infrastructures - Reinforcing creative and innovative corporate culture - Strengthening external communication 	<ul style="list-style-type: none"> - Leading the global initiative to fight climate change - Commercializing the five major R&D issues - Constructing an integrated risk management system - Participating in global initiatives 	<ul style="list-style-type: none"> - Augmenting global social contributions - Expanding sustainable financial products and services - Realizing global management competencies

Sustainability Management Organization Chart



Sustainability Management Performances & Plans

Sustainability Management R&D Activities

In order to effectively respond to market risk and seize opportunities in rapidly-changing markets, SF&MI has developed five major R&D issues: environment, safety, traffic, health and culture. They will assist us in ensuring the development of new growth engines and the enhancement of future corporate value.

SF&MI 5 Major R&D

Environment	<ul style="list-style-type: none"> - Renewable energy & green industry - Natural disasters such as global warming and climate change
Safety	<ul style="list-style-type: none"> - Individual & Industrial safety and infrastructure (corporate/ public safety > household/ daily life safety)
Traffic	<ul style="list-style-type: none"> - Advanced traffic culture and policy-building - Accident prevention and loss adjustment
Health	<ul style="list-style-type: none"> - Medical system & technological development - Aging society and its impact on society and products
Culture	<ul style="list-style-type: none"> - Consumer trend and behavioral analysis by generation - Marketing R&D in step with social change factors



Sustainability Management Indexes

Global financial institutions and agencies that provide financial information take into consideration sustainability management practices in their evaluations of corporations. These organizations comprehensively evaluate the balance between financial and non-financial aspects of a corporation's operations by testing the sales, operating profits and other financial figures, environmental and social performances, and the transparency of the corporate governance. SF&MI earned good ratings in several indexes including the KRX SRI Index, the DJSI and ERISS Sustainability Indexes for its leading global operations as a responsible insurance company.

SF&MI will continue with our ESG management activities in the future, contributing to a virtuous circle in the capital market, one that pursues responsible investment, ESG investment and long-term investment.

KRX SRI Index (Korea Exchange Socially Responsible Investment Index) | The KRX SRI Index is Korea's first socially responsible investment index, which selects 70 top socially responsible stocks as evaluated by the Korea Corporate Governance Center. SF&MI was listed on the index in 2009.

DJSI (Dow Jones Sustainability Indexes) | The DJSI, a joint index of the U.S.-based Dow Jones and Switzerland-based SAM, is a world-renowned sustainability index that comprehensively evaluates corporate value in terms of the economic, social and environmental aspects of a corporation's performance. SF&MI was listed on the DJSI Korea Index in 2009 and 2010.

ERISS Sustainability Index | SF&MI topped the 2009 Korea Non-Life Insurers' Sustainability Index by the Economic Research Institute for a Sustainable Society (ERISS). In step with the rising concerns over sustainability management around the world, the ERISS organized a board of judges comprised of experts in economics, society and the environment. The board for the index evaluated the sustainability of Korean non-life insurers in terms of "Quantification Index" and "Reputation Index."



[Sustainability Management Initiatives](#)

UNEP FI (United Nations Environment Programme Finance Initiative)

The UNEP FI (United Nations Environment Programme Finance Initiative) is an organization under the auspices of the UN that sets the directions and the methodologies of environmentally responsible and sustainable development for global financial institutions. As of now, about 180 financial institutions from 40 countries around the world are participating in this initiative aimed at countering climate change and promoting sustainability management activities regarding insurance, investment, and real estate.

The UNEP FI released “The global insurance industry statement on adapting to climate change in developing countries” in cooperation with the three insurance industry organizations devoted to the three initiatives—the Geneva Association, the Munich Climate Insurance Initiative and ClimateWise—in September, 2010. While introducing a mechanism for fighting climate change for developing countries, the statement urges the global insurance industry to take action against climate change. As a leading insurance company, SF&MI participates in this global initiative in addition to its membership in the UNEP FI.

UN Global Compact

Initiated by former UN secretary-general Kofi Anan at the Davos Forum in 1999, the UN Global Compact was launched in July 2000 at the UN headquarters in New York to address global ethics and to promote environmental protection.

In joining the UN Global Compact in 2009, SF&MI reiterated its commitment to ethical management, environmental management and social contributions in compliance with the ten principles of the UN Global Compact regarding human rights, environmental protection and anti-corruption. Furthermore, we encourage our partners to comply with these principles.

SF&MI maintains close social relationships with its stakeholders, including customers, shareholders, employees, local communities and partners. As the owners, users and controllers of the company, SF&MI's stakeholders share special social sustainability issues with the company. Therefore, we maintain dialogues with and gain feedback from them to share sustainability issues and find solutions to relevant issues.

Customers

Customers add value to the company. Corporate value is created when the company provides products and services that satisfy customers. As a financial service provider, especially an insurer, SF&MI boasts a vast customer base and strives to maximize customer satisfaction through consistent communication with customers.

Shareholders

Corporate management activities are empowered by shareholders who believe in the company's value and potential and have made investments in the company. Major shareholders participate in important management decisions and the company pays them dividends in accordance with the results. While continuously enhancing its corporate competitiveness, SF&MI provides management information to stakeholders in a timely and appropriate manner, ensuring efficient and well-balanced corporate governance.

Employees

Employees are the ones that create corporate value, thus their abilities constitute the corporate expertise of SF&MI. High satisfaction among employees enables individuals to realize their full potential. SF&MI strives to provide a healthy and sound workplace where employees can develop skills and lead better lives.

Local Communities

Local communities include local residents, local governments, local environmental groups and Non-Governmental Organizations (NGOs). In particular, NGOs proactively express their opinions on the environmental and social issues of relevance to the company. By proactively communicating with our local communities, SF&MI contributes to the local economy through job creation and the building of infrastructure.

Partners

The close collaboration between SF&MI's sales service and its claims payment service plays an important role in the company's corporate competitiveness. Therefore, we will strive for fair relationships with and sustainable development of our partners through diversified support programs.

Communication with Stakeholders

Our stakeholders are our customers, shareholders, employees, local communities and business partners. Stakeholders' concerns have a significant influence on our management activities. Therefore, we maintain communication with our stakeholders through various channels. In a close collaboration with our partners, we operate various programs including CEO meetings and support programs to help them build sales capabilities. Issued in 2010, the 2009-2010 Samsung Fire & Marine Insurance Sustainability Report will serve as an important medium for transmitting information in our communication with our stakeholders. These active communications will contribute to a stable sales infrastructure for better service and products and propel us forward as we grow as a trusted corporate citizen; one that contributes to the development of local communities while minimizing its environmental impact.

Stakeholder Analysis

Stakeholder Opinions

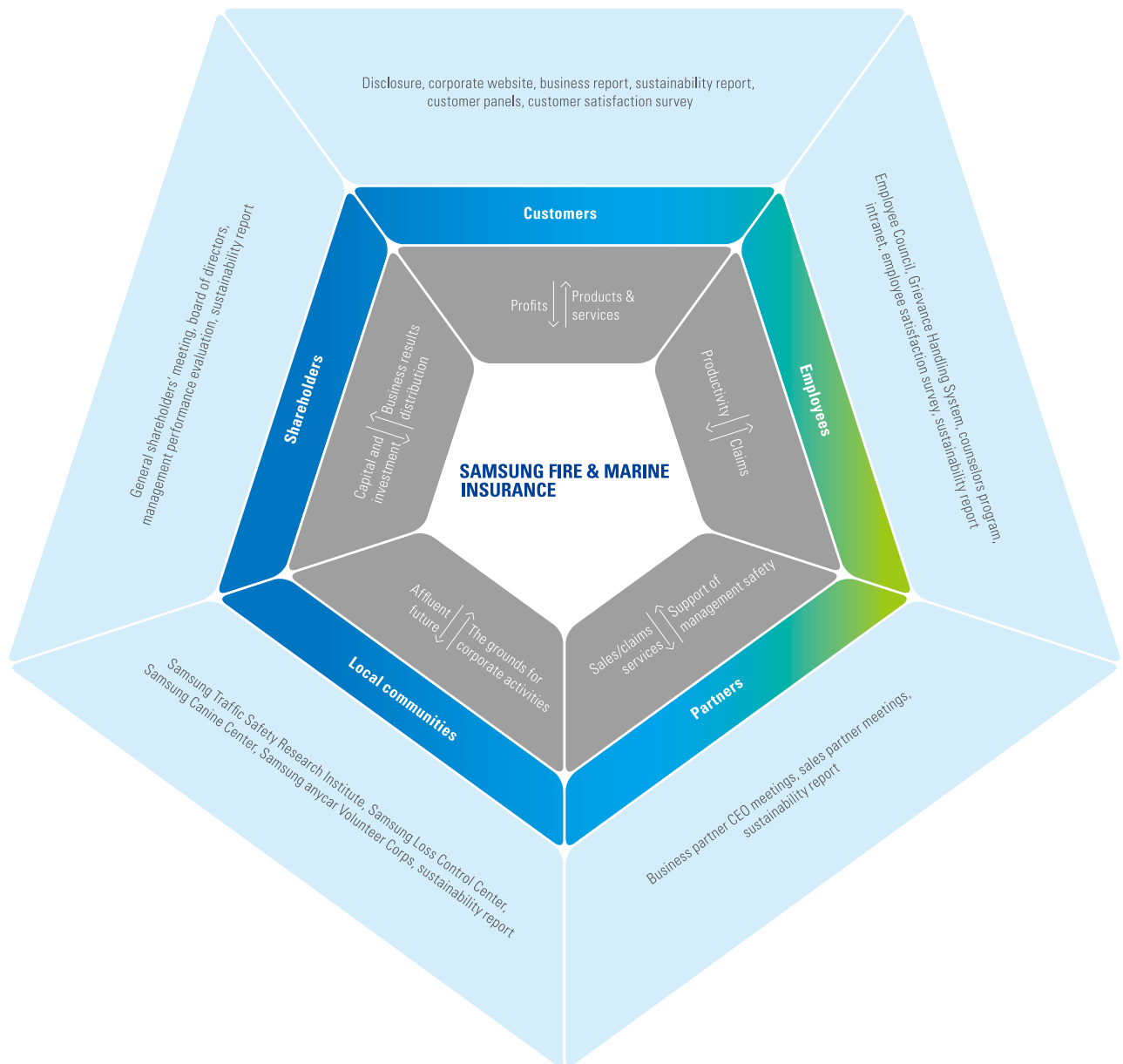
SF&MI conducted interviews and surveys with its internal and external stakeholders to reflect their opinions regarding the report planning stage. The report contents were organized based on the results. SF&MI is well aware that close relationships with stakeholders, which are based on trust, are integral to the sustainable long-term growth of a company and we strive to meet their expectations.

Sustainability Management Task Force | Consisting of the Management Support Office and Samsung Loss Control Center, the task force team was organized to monitor sustainability management practices and reflect internal stakeholders' opinions in strategy-building and procedures for compiling reports. The company's economic, social and environmental performances are based on the business report and strategy report.

External Stakeholder Survey & Interview | In order to reflect the expectations and concerns of SF&MI's external stakeholders, we reviewed media coverage, domestic and international regulations and laws, and the results of external reviews. In addition, we analyzed stakeholders' expectations and concerns through group interviews with customers, shareholders, employees, partners and local communities. Based on the results, we identified the future roles and responsibilities that our stakeholders expect of the company and detailed our plans for these areas in the contents of the report.

Internal Stakeholder Interview & Survey | We conducted interviews and surveys with internal stakeholders from July to August, 2010, to evaluate and ascertain their understanding of the sustainability management of the company.

Communication with Stakeholders

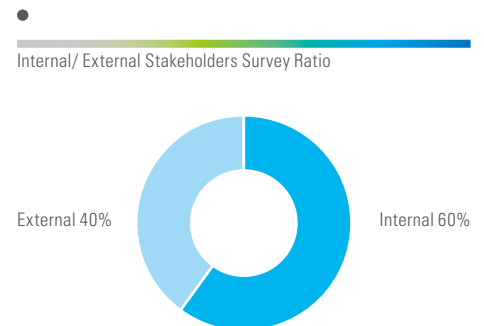


The GRI (Global Reporting Initiative) recommends that sustainability reports prioritize the information that stakeholders request in compiling the report contents. The Materiality Test is a methodology to prioritize stakeholder concerns. To help our stakeholders better understand the 79 indicators of the GRI Index, we reorganized the indicators before surveying our external and internal stakeholders.

Interviewees (Interview methods: interview & via e-mail)

Ahn, Byong Man	Former minister of Education, Science & Technology
Huh, Kyung Ok	Professor, Department of Living Culture & Consumer Science, Sungshin Women's University
Sung, Kyu Sik	Managing Director, Director of Environmental Safety Center, Samsung Electronics
Jang, Bo Won	RC, Ansan Joongang Branch
Song Ja	Chairperson, Citizen's Coalition for Safety
Kim, Yoon Sik	President, Yangpyeong Car Repair shop
Lee, Seung Hyeon	Chairman, Employee Council
Genesis	Mr. David Seaman
First State	Mr. Angus Tulloch

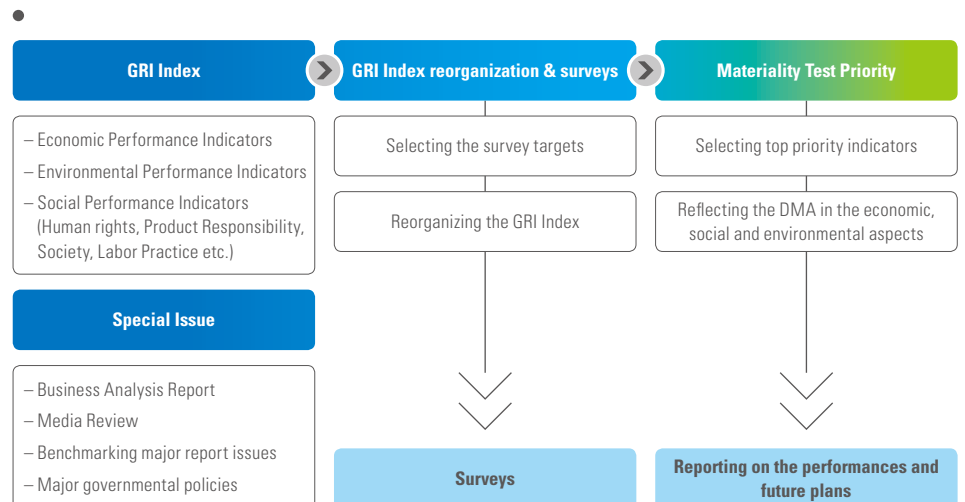
Survey Target (Method: interview & via e-mail)



No. of participants

20 external stakeholders/ 30 internal stakeholders

Materiality Test Process



Special Issue

Item	Reference	Meaning
Management Analysis Report	- Management strategy report - Internal analysis	Analyzing the material issues of the company
Media review	- 2008-2009 media coverage	Reviewing the major issues covered by the press
Overseas benchmarking	- Sustainability reports - Corporate websites	Analyzing the reports published by the same industry
Governmental policies	- Green Growth Five-Year Master plan	Analyzing the governmental policies and initiatives

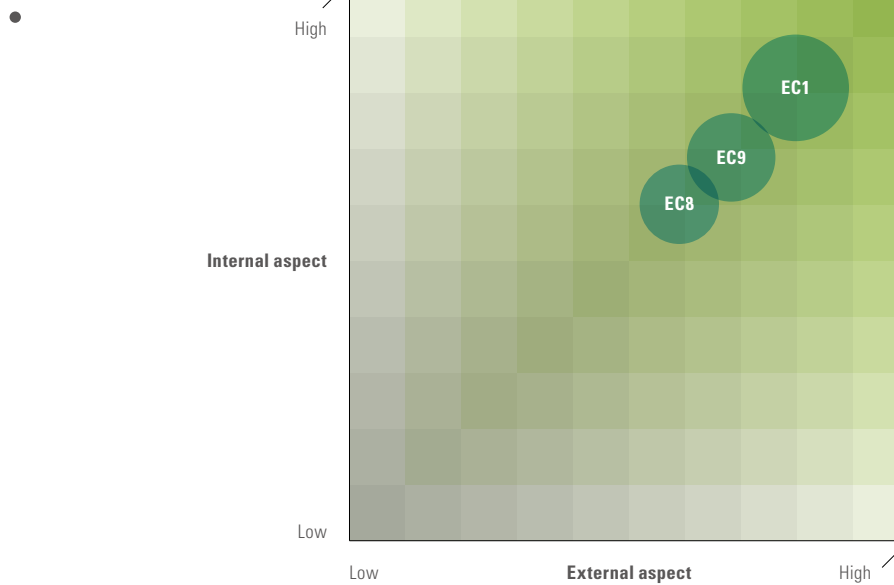
According to the materiality test results, the GRI Indicators that were given a high priority were covered as the major issues in the Disclosure on Management Approach (DMA) of the economic, social and environmental performances of the report. Recommended by the GRI Guidelines, the DMA facilitates understanding of the major management practices and future plans of the company. SF&MI's materiality test results are as provided below:

Priority Disclosure Indexes (The GRI Indicators with High Concerns to SF&MI Stakeholders)

GRI Index	Indicators	Page
Economic Performance Indicators		
EC1	Economic values that SF&MI directly created and distributed, including profits, expenses, and revenues as well as those from overseas operations	82-84, 111-112
EC8	Financial social contributions relevant to its business	105
EC9	Development of products that contribute to increased efficiency in the capital markets, the environment and society	62, 76, 102
Environmental Performance Indicators		
EN3	Total amount of energy sources heating office buildings such as oil, coal and natural gas	60, 111
EN4	Total amount of energy consumption (electricity) and reduction plan	60, 111
EN26	Efforts to enhance energy and resource efficiency through IT system including digital policy document service	59
EN30	Environmental investments such as environmental protection activities and green purchases	103, 111
Social Performance Indicators		
LA1	Employment type, employment contract and workforce	89, 111
LA8	Health management program for employees and major performances	94
LA10	Annual average training hours by job classes and job positions	89, 111
LA13	Percentage of disabled and female employment and percentage of female managers	92, 111
HR3	Sexual harassment prevention and human rights protection training	26, 57
SO1	Social contribution system and monitoring the impact of social contribution activities in New Culture Dept.	99
SO3	Performances and content of business ethics training	26
PR3	Management disclosure and efforts to provide business portfolio information	16, 62, 76-77
PR5	Customer Satisfaction Survey Results	69-70
PR9	Breaches of customer privacy and losses of customer data, fines imposed	79

Vision

Based on the “2020 Global Top 10” roadmap, SF&MI strives to realize sustainability management through the installment of long-term economic value. In addition, we aim to become a Total Risk Solution Partner by 2020 by building global competitiveness through active overseas expansion and the development of eco-friendly and socially-responsible products.

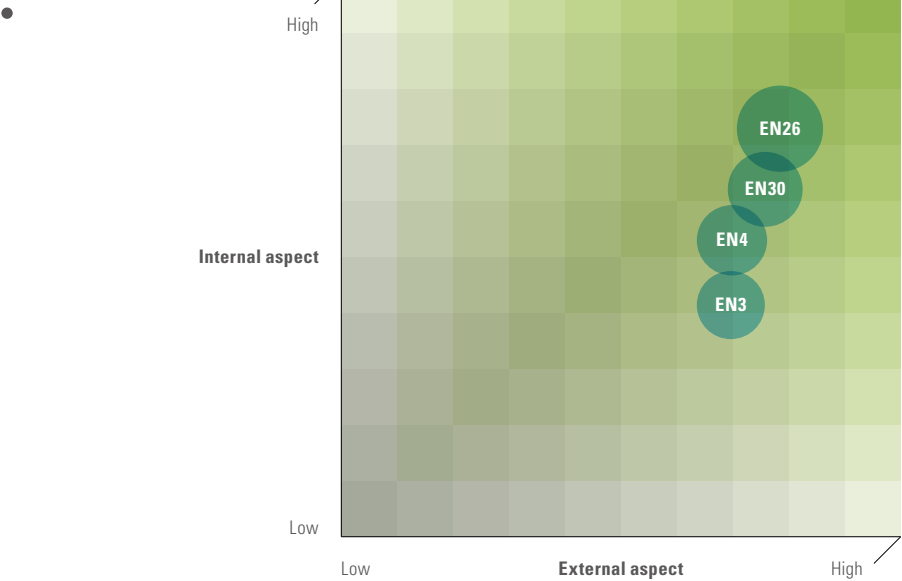
Priority & Strategies**Performances & Plans**

Economic Performance Indicators		Category	2008 Performance	2009 Performance	2010 Goal (plan)
EC1	Economic values that SF&MI directly created and distributed, including profits, expenses, and revenues as well as those from overseas operations	Direct Premium Written	KRW 9,744.9 bil.	KRW 10,895.1 bil.	KRW 12,000.0 bil.
	Financial social contributions relevant to its business	Social contribution expense	KRW 262 bil.	KRW 253 bil.	KRW 25.0 bil.
EC8	Financial social contributions relevant to its business	Youth Financial Classes	-	5,400 people	5,000 people
EC9	Development of products that contribute to increased efficiency in the capital market operation, environment and society	Eco-friendly insurance product sales	KRW 2.98 bil.	KRW 3.29 bil.	KRW 3.5 bil.
		Socially-responsible insurance product sales	KRW 0.49 bil.	KRW 0.35 bil.	KRW 0.5 bil.

Vision

● As an eco-friendly corporate citizen, environmental protection is a major element of SF&MI's social responsibilities and one of the top priorities of all of our business activities. We aim to contribute to the sustainable development of not only the company, but society and the nation as well. We will accomplish this through research and the exploration of markets regarding governmental environmental policies and our research and development on disasters, global warming and climate change, in particular.

Priority & Strategies



Performances & Plans

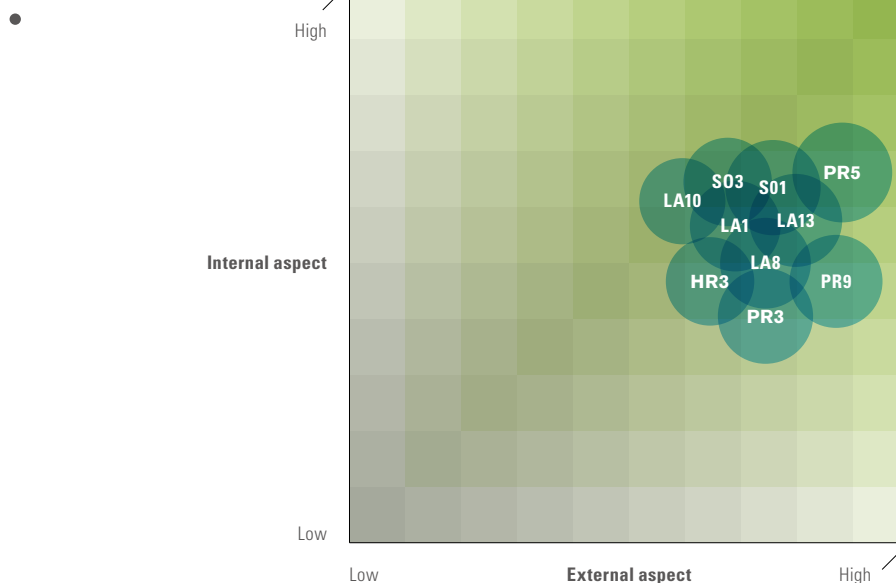
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Environmental Performance Indicators		Category	2008 Performance	2009 Performance	2010 Goal (plan)
EN3	Total amount of energy sources heating office buildings such as oil, coal and natural gas	CO ₂ -eq Emissions & unit loads	3,143tons 0.032 tons/ KRW 100 mil.	3,226tons 0.030 tons/ KRW 100 mil.	3,359 tons 0.028 tons/ KRW 100 mil.
EN4	Total amount of energy consumption (electricity) and reduction plan	CO ₂ -eq Emissions & unit loads	16,311 tons 0.167 tons/ KRW 100 mil.	17,280 tons 0.159 tons/ KRW 100 mil.	19,105 tons 0.159 tons/ KRW 100 mil.
EN26	Efforts to enhance energy and resource efficiency through IT system including digital policy document service	E-policy service	-	Adopted e-policy service	20,000 cases
EN30	Environmental investments such as environmental protection activities and green purchases	Environmental protection expenditures	KRW 8 mil.	KRW 14 mil.	KRW 15 mil.

Vision

● We aim to strengthen our trusted relationships with customers, shareholders, employees, local communities and partners through transparent and sound management practices. Through constant and transparent communication with our stakeholders, we will build cooperative relationships based on trust and fulfill our social responsibilities, while growing as a sustainable top-level global company.

Priority & Strategies



Performances & Plans

●

Social Performance Indicators		Category	2008 Performance	2009 Performance	2010 Goal (plan)
LA1	Employment type, employment contract and workforce	Total workforce	5,433 people	5,220 people	5,270 people
LA8	Employee health management programs and performances	Employee health management programs	New group insurance, maternity programs, health check-ups, leisure & sports center & wellness clinic (workout gym), sabbaticals, resorts and condominiums and water park admission fee subsidies, health campaigns		Status quo
LA10	Annual average training hours by job classes and job positions	Per capita training hours	86.95	96.34	80.00
LA13	Percentage of disabled and female employment and percentage of female managers	Percentage of disabled workers	1.12%	1.25%	1.29%
		Percentage of female workers	45.4%	41.7%	42.5%
		Percentage of female executives	1.5%	1.7%	0.0%
HR3	Sexual harassment prevention and human rights protection training	Sexual harassment prevention training programs	e-shared values (healthy and sound corporate culture free of sexual harassment or discrimination)		Status quo
S01	Social contribution system and monitoring the impact of social contribution activities in New Culture part	Employees' volunteer hours (per capita)	21.6 hours	13.7 hours	16 hours
S03	Performances and content of business ethics training	Ethics training programs	On/ Off-line ethics training programs		Status quo
PR3	Management disclosure and efforts to provide business portfolio information	No. of IR meetings	475 meetings	453 meetings	500 meetings
PR5	Customer Satisfaction Survey Results	National Customer Satisfaction Index	72 points	72 points	73 points
PR9	Breaches of customer privacy and losses of customer data, fines imposed	Complaints on customer information security practices	None	None	None

Customer

Fulfilling Social Responsibilities as an Insurance Company

Huh, Kyung Ok

Professor, Department of Living Culture & Consumer Science, Sungshin Women's University

● Disputes and lawsuits between consumers and the insurance company and/or their agents have a negative influence on the company's reputation. Therefore, active communication between the company, consumers and the agents is required. Also as a broader spectrum of information must be provided to the consumers through education, training, consulting, case studies and legal information briefings.

Product development also requires consideration of the social and environmental impact of corporate business activities. More social contribution programs and campaigns for low-income families and senior citizens are required for consumers and agents to participate. As for auto insurance products, I suggest that the company offer discounts on premiums to eco-friendly drivers. That will promote sustainable consumption among customers.

SF&MI Answer | SF&MI operates diverse communication channels with customers. The online communities, voice of customers (VOC), and customer panels update the company with quality information and provide customer services and consultation as well. Our socially responsible insurance products now available are Comprehensive Auto Insurance with privileges given to charities, products in support of undernourished elementary school students, and insurance products for firefighters. We have also developed eco-friendly insurance products such as Green Bicycle Insurance and Crop Insurance.

Reinforcing Stakeholder Partnerships for a Global Environmental Safety Management System

Sung, Kyu Sik

Vice President, Environment and Safety Center, Samsung Electronics

● Since sustainable growth emerged as the norm in the global business arena, SF&MI has made strenuous efforts to become a respected global company based on its trusted partnerships with stakeholders. The evolving global business structure, higher expectations of markets and customers, and heightened international standards have expanded the scope of environment and safety risk management. Therefore, in addition to risk management, creating and maintaining close partnerships with stakeholders became an integral part of sustainability management. In the same vein, we, at Samsung Electronics, would expect to further strengthen its cooperation with the Samsung Loss Control Center.

SF&MI Answer | The Samsung Loss Control Center supports its customers' efforts to establish, through its risk management and consulting services, a global environment and safety management system over industrial safety and disaster control at all of the company's business premises, the R&D Center and the partners. The center will further strive to provide customers with differentiated solutions for the systematic management of non-financial risks such as global environment, low-carbon emissions and partners' sustainability.

Shareholders

Expanding Communication Channels with Shareholders

Genesis

Mr. David Seaman

I appreciate that SF&MI strives for active communication with shareholders. For instance, they provide interpreters at the quarterly conference calls. I suggest that the company also provide video clips of their IR activities on their website. That will further promote information sharing and communication with shareholders.

SF&MI Answer | SF&MI is involved in various IR activities to keep in touch with as many investors as possible. In addition to the regular IR sessions, road shows and conferences aimed at retaining and attracting investors, we also hold various events and sessions for our investors whenever necessary. SF&MI will actively increase communication channels with shareholders to efficiently meet their requests for information disclosure.

Request to Disclose Information on the Management of Product Risks

First State

Mr. Angus Tulloch

SF&MI is more active in management information disclosure than its competitors. Still, the company is required to further expand its disclosure scope in terms of the profitability and risk management of products, which are required for the long-term outlook of the company. In particular, the company is required to disclose its sustainable insurance underwriting and investment policies in terms of sustainability issues.

SF&MI Answer | SF&MI applies its advanced IT infrastructure measuring risk and performing scenario analyses of risk, as well as the impact of such risk on the company's profit structure. In order to minimize economic risk associated with investment decision-making, we employ a Strategic Asset Allocation (SAA) process and qualitative and quantitative decision-making analyses. Through consistent investment in the development of sustainable insurance products, we have successfully developed and launched Green Bicycle Insurance, Crop Insurance, Storm & Flood Damage Insurance, and Environmental Pollution Liability Insurance.

Employee

Building a Corporate Culture that Respects Diversity

Lee, Seung Hyun

Chairman, Employee Council

SF&MI places a priority on "communication" with employees for better employee-company relationships and to create great workplaces for its employees. To encourage active communication, the company has diversified its communication channels with employees and strives to build a corporate culture that respects diversity in individual opinions. The company aims to enhance the work-life balance of its employees. It offers various programs and supports employees in their efforts to strike the right balance between work and their personal life.

SF&MI Answer | SF&MI operates various communication channels to communicate with employees. Employee Council, CEO Message, Junior Board, the dedicated Communication Part and internal broadcasting service allow us to listen to and reflect the opinions of our employees in various management issues. For the work-life balance of our employees, we have instituted diverse welfare benefit programs including health check-ups, leisure life, retirement services and other programs. The regular employee satisfaction survey gives us feedback on our efforts to build a great workplace for our employees.



Cooperative Support in Consideration of the Characteristics of Risk Consultants (RC) Jobs

Jang, Bo Won

RC, Ansan Joongang Branch

- Working at the forefront of the contact point with customers, the RCs serve as messengers for SF&MI in building a positive corporate image and customer trust. Therefore, the company must support the activities of RCs, with consideration to the unique characteristics of our jobs. In particular, childcare is the most important impending issue facing a number of our married sales RCs at the moment. It is urgent that the company devise solutions to this issue in terms of work efficiency as well as the welfare of the RCs. Also, we need to provide further support for building our sales expertise.

SF&MI Answer | SF&MI runs various programs for RCs to help them achieve success. We commissioned training courses through Sungkyunkwan University to help our RCs build their skills. In support of the economic activities of the female RCs, we run economics camps for children and a daycare center. We believe these programs motivate our partners to work hard at their sales activities. In the future, we will continue to endeavor to thrive with our partners.

Pursuing success with Claims Partners through Support of Excellent Car Repair shops

Kim, Yoon Sik

President, Yangpyung Car Repair shop

- As a leading Korean insurance company, SF&MI's policies have a significant influence on its competitors' policies. Therefore, SF&MI has to be well aware that its partners' growth contributes to the company's growth and must pursue success with its partners. To that effect, the company should provide active promotions and differentiated incentives to excellent car repair shop partners.

SF&MI Answer | SF&MI has in place programs to help thrive our claims partners. Every month, we evaluate and select the top car repair shop partners and provide them with various business support programs. The annual winners are supported through overseas training programs and we hold best practice case studies to help our partners build their skills.



Growing into a Leading Social Contribution Company

Ahn, Byong Man

Former Minister of Education, Science & Technology

- SF&MI entered into a social agreement with the Minister of Education, Science & Technology and a civic group for the disabled in October 2008 to produce educational video clips to enhance the public awareness towards disabilities. These video clips serve as important materials for educating youth regarding disabilities and to improve public recognition of such disabilities. We expect that this program will become a representative social contribution program by SF&MI, while changing public recognition of disabilities. Through these activities, SF&MI will be able to develop its social contribution strategies and grow as a leading company to become, in the truest sense, a socially responsible corporate citizen.

SF&MI Answer | SF&MI engages in social contribution activities under five themes of traffic, safety, health, culture and the environment. The Samsung *anycar* Volunteer Corps implements various volunteer services and our employees volunteer for a variety of programs in support of local communities. In the future, we will establish long-term social contribution programs that also share our resources and expertise.

Mounting Safe Traffic Campaigns for Children

Song Ja

Chairperson, Citizen's Coalition for Safety

- For the sound development of society, individual families need to be healthy and safe, and it is particularly important that our future generations are safe and protected. To this end, SF&MI needs to capitalize on its expertise in traffic safety so as to run various direct and indirect training programs and campaigns for the safety of children. Since the dangers of traffic pose an on-going threat to our children's safety, a threat that is growing over time, SF&MI's proactive and cordial actions are required more than ever.

SF&MI Answer | SF&MI established the Samsung Traffic Safety Research Institute, Korea's only privately-run traffic safety institute, in July, 2001 to perform R&D on the impact of traffic on society and to develop traffic safety campaigns. In particular, we offer educational programs on traffic safety to an annual average of 800,000 children from preschools, kindergartens and elementary schools. In addition, the institute also strives to promote safe driving practices. The company's Bicycle Driving License Test program aims to instill a mindset focused on traffic safety in our future generations. It also provides safety supplies and equipment, and publishes educational materials on the prevention of injury to children in traffic accidents.

03

SAMSUNG FIRE & MARINE INSURANCE

- Core Issues



We see the future in the open-mindedness of our future generations. Their open mindset constitutes a brighter future for the world. A narrow-minded, shortsighted mindset cannot lead the world. It takes “open-minded thinking” to create positive change in the world. Samsung Fire & Marine Insurance takes the lead with our innovative and future-oriented management.

048 _____ Brand Management “think NEXT”

050 _____ Creative Management “Idea & Knowledge Communication”

053 _____ Emotional Management “Great Workplace”

058 _____ Green Management “Climate Change”

063 _____ Open Management “Social Contributions”



Service beyond customer expectations; customer and market oriented leadership; the power of execution in adopting new customer friendly processes; all of these originate from our dedication to innovation. Our new slogan “think NEXT” best represents our spirit of innovation as we move forward to become a total financial service provider.

Slogan “think NEXT”

SF&MI's brand slogan “think NEXT” conveys its brand identity and the spirit of innovation of “thinking ahead and taking action as a pioneer.” Not content to rest on our present success as Korea's leading insurance company, we will make ceaseless efforts to become one of the top 10 global insurance companies by 2020.

Innovation Directions

A Market-Driven Company that leads change

: 365 Days R&D “Making ceaseless efforts to improve customer satisfaction”

Our innovation originates from our shared view and never ending efforts to improve customer satisfaction. While providing products and services that our customers need, our innovation drive has its roots in our on going endeavors towards becoming a total financial service provider.

A Service Company that satisfies customers beyond their expectations

: 365% Satisfaction “Present customers with pleasant surprises”

At SF&MI, we interpret “innovation” as providing service beyond customers' expectations. We aim to become a service company that maximizes customer satisfaction with services exceeding their expectations.

A Creative Company that embraces customer-oriented changes

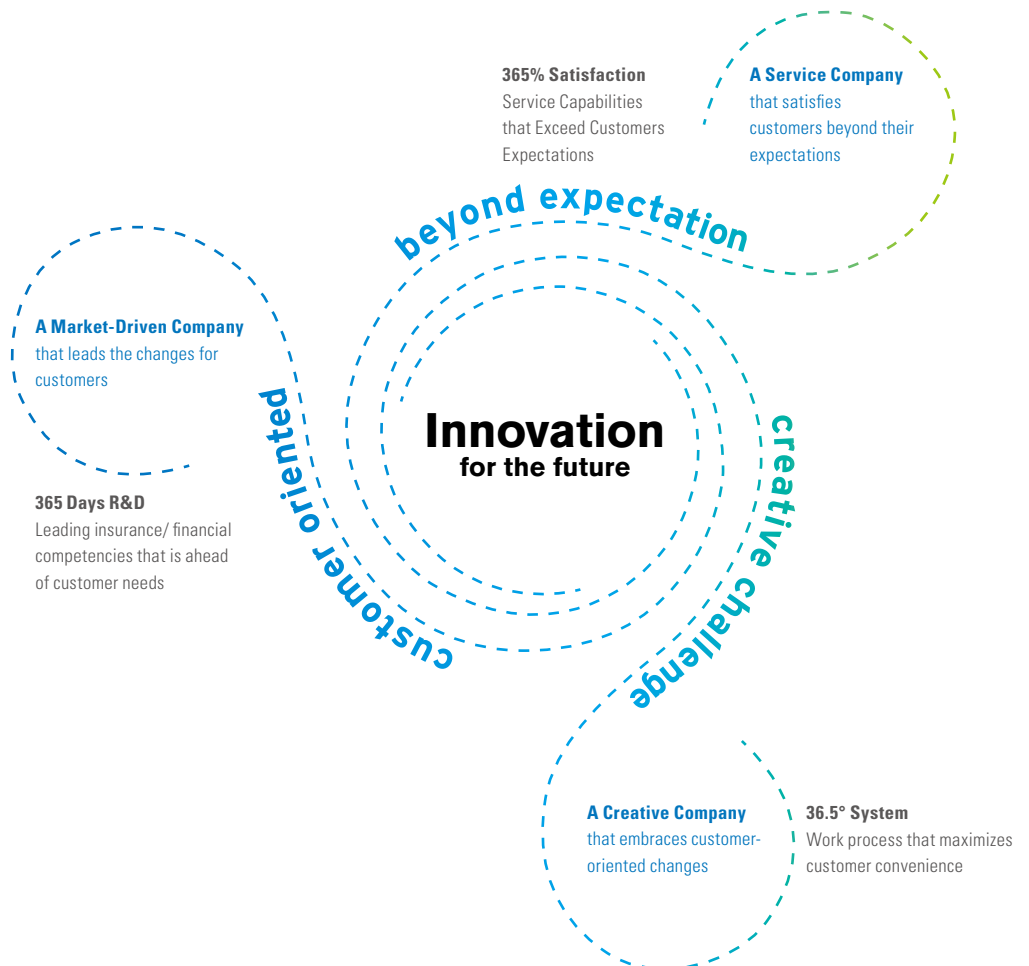
: 36.5° System “Change everything for customer convenience”

At SF&MI, we also practice innovation by changing our work processes for greater customer convenience. Departing from conventional practices and resolutely streamlining work processes, we practice innovation.

- Brand slogan think NEXT
- Samsung *anycar* Logo



SF&MI's Innovation Direction



SF&MI Brand - *anycar*

Credited with opening the era of brand names in the auto insurance industry following its inception in 2002, *anycar* has undisputedly become the leading Korean auto insurance brand through proactive communication with customers. It is recognized as an innovative model for brand management and the improvement of customer service by a financial institution. In 2004, *anycar* introduced an "auto insurance consulting service" in the Korean auto insurance industry, providing customized auto insurance planning services through our professional consulting and sales network of Risk Consultants (RC). While sustaining our brand leadership, *anycar* maintains Korea's largest claims service network for the fastest claims payment service. Our service aims to go beyond insurance services and extend towards becoming a 'car life consulting service'. Recently, we entered into a partnership with a leading American insurance company, Farmers Insurance Group, which expanded the boundaries of our service to global markets. Through this partnership, we are able to offer our U.S. customers the same privileges that our prime customers in Korea receive.

Creative Management

“Idea & Knowledge Communication”

“Our 700 sales points share the same work process. Therefore, the best practices, should swiftly spread throughout the 700 sales point network. The same applies to our claims process as well” — CEO’s Commitment to Creative Management

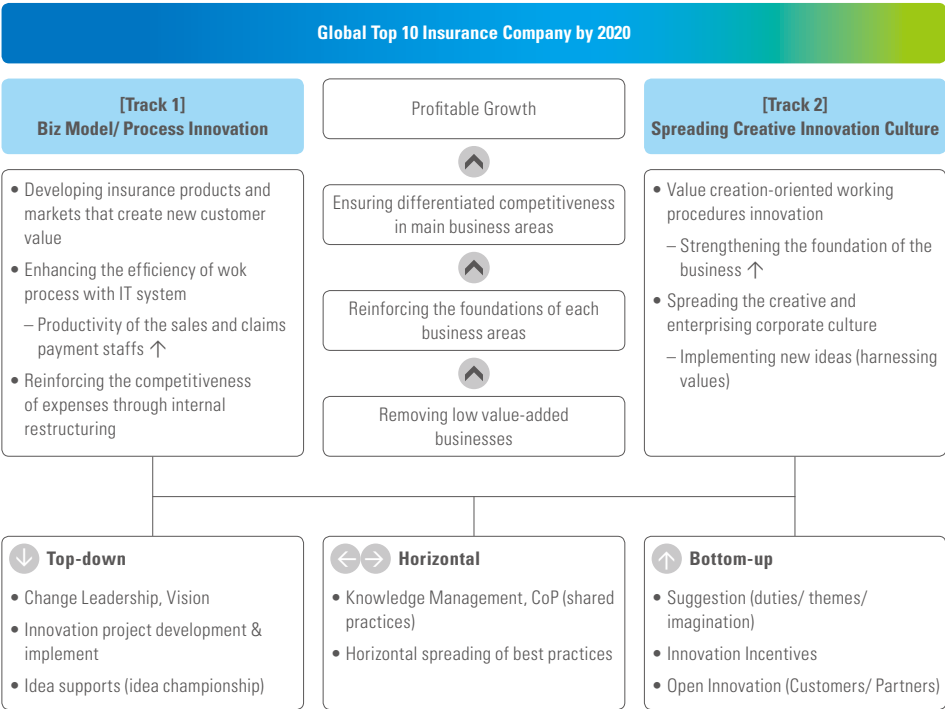
SF&MI’s Creative Management

2-Track 3-Way Innovation Drive

SF&MI’s innovation drive follows the 2-Track 3-Way framework. Framed on the two tracks of business model/ process innovation and a culture of creative innovation, we ceaselessly implement innovation drives through communication and collaboration in three ways; top-down, bottom-up and horizontal.

Innovation Drive Framework: 2-Track 3-Way

[What: 2-Track]



[How: 3-Way]

- Capture of initial page of the “Open-i”
- A scene from the CoP activities



Communicating Ideas “Open-i”

The “Open-i” is our suggestion board, where our employees can create and communicate ideas with open mindsets and open eyes. The name, “Open-i” conveys several meanings: “Open i”—opening myself to everyone; “Open-Eye”—observing problems with open eyes; “Open idea, Open invention” and “Open-invitation”—inviting everyone to create new and innovative ideas.

The Open-I board has three subsections of “process innovation,” “theme innovation” and “imagination +.” The “process innovation” section is for ideas to improve work processes. The “theme innovation” section is to collect ideas for a given theme during a given period. The “imagination +” section is segmented again into the Idea Plaza and OX Discussion Board. The Idea Plaza is to work together and develop incomplete ideas into practical innovation policies. The OX Discussion Board is for employees to express opinions on a certain theme. From January to July, 2010, a monthly average of 570 suggestions were registered. This has been a rising trend since 2007.

The Innovation Incentive program aims to motivate employees to create innovative ideas, rewarding suggestions that lead to more than KRW500 million in financial performances with a 5% incentive.

Communicating Knowledge

Knowledge Management anyWin | SF&MI operates a knowledge management system, called anyWin, as a company-wide knowledge-sharing platform, which capitalizes on knowledge that contributes to corporate value. All of the company’s intellectual properties are registered and shared through anyWin, where employees also share job skills and experiences among themselves. The system also builds a map of best practices and provides a high-quality Best Practice database in a timely and accurate manner. Closely linked with other work process systems such as leading cases, the disaster prevention system and work guides, the database facilitates effective and comprehensive support of work knowledge. Best Practice staff are assigned at each office to periodically and consistently disseminate the discovered best practices company-wide. The knowledge Q&A service provides required knowledge and helps employees to troubleshoot problems. Through a real-time communication system, 290 knowledge officers answer enquiries related to their respective fields, which then are relayed to the enquirers by e-mail, enhancing work efficiency at the front lines.

CoP (Community of Practice)

The CoP refers to groups of people who share a concern, set of problems, mandate, or sense of purpose. This promotes collaboration, information exchange, and the sharing of best practices across boundaries of time, distance, and organizational hierarchies. As of September, 2010, 162 CoPs were in operation. At SF&MI, the CoP is expanding its scope of operations to become the facilitator of strategy and innovation practice groups. Based on open communication platforms, the CoP ultimately aims to contribute to improved management performances through knowledge communication. These are the tools for managing the implementation of strategies, promoting innovation at each department and encouraging collaboration between departments.



Innovation Olympiad

The Innovation Olympiad is SF&M’s innovation festival, where employees reflect on their innovation activities over the past year and plan for an improved culture of innovation in the coming year. By sharing the best practices of creative thinking and action, the employees also have the opportunity to enhance their ability to execute and build competence in creating innovation. The best practices of Open-i, CoP and anyWin are shared with top management and middle managers to promote a drive for innovation across the board. Rewarding teams and individuals for their outstanding accomplishment of innovation tasks, we foster employee engagement in our creative management initiatives.

Innovation Olympiad 2009 Winners



Category	Winners	Best Practices
Individual	Suncheon Regional Group	Explored niche markets in the regarding critical illness Drivers’ Insurance product
Corporate	Global Service Center	Customer-oriented logistics insurance consulting (Electronic Total Risk Solution consulting)
Strategy	Alliance 3 Team (Alliance Marketing Dept.)	Sold annuity products on TV Home Shopping Channel (Defying the conventional thought about annuity products and TV Home Shopping)
Compensation	Kim Hee-Ju senior staff anycare Center	Developed and spread how to answer phone calls (How to Speak SMART?)
Product	Gangseo Business Center	Market expansion through marketing underwriting practices (auto insurance market exploration in collaboration with the work, claims and regional groups)
Subsidiary	NamBusan Property Damage Team (Samsung Loss Adjustment Service)	Saving insurance pay through direct order placement of components (Claims staff’s Direct Order System)

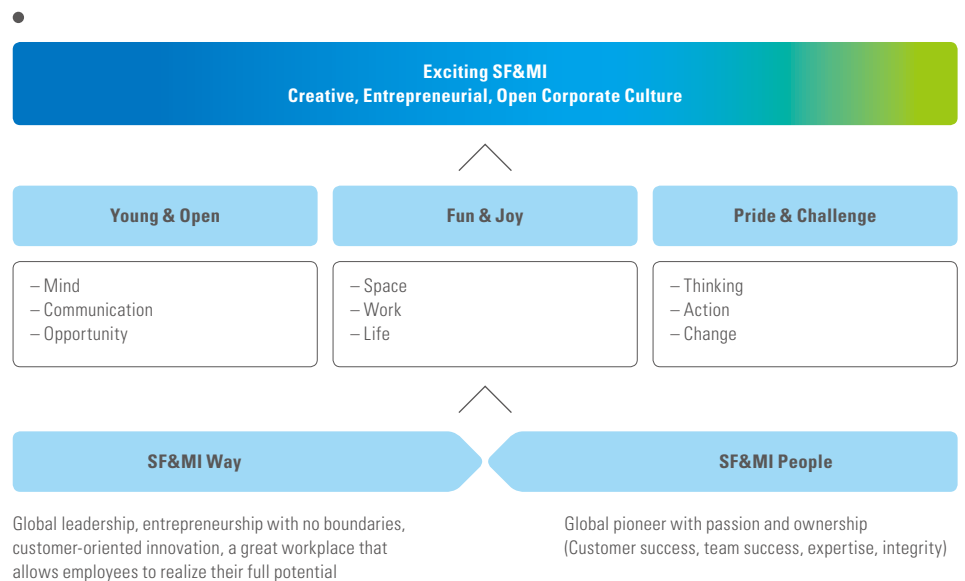
GWP (Great Work Place) Framework

The “Great Work Place (GWP) Initiative” is a long-term project initiated in 2002 aimed at improving our corporate culture. SF&MI has set a goal for 2010 of creating a great workplace and has launched the initiative based on the core values of GWP: leadership and a spirit of serving. Also, various GWP promotion programs are in place, in which the CEO and the entire workforce of SF&MI can participate.

Creating a New Corporate Culture

As the driving force for attaining the vision “Global Top 10 by 2020,” SF&MI has set a catchphrase, “exciting SF&MI,” in support of sustainable growth through “creative innovation and challenge.” To this end, we have set three strategies of “Young & Open,” “Fun & Joy,” and “Pride & Challenge” and nine keywords and 27 tasks for implementing these strategies in order to build a new paradigm of corporate culture for creative management.

Creating new corporate culture



- GWP Excellent Performers award ceremony
- GWP activities



GWP Initiative Organization

SF&MI assigns staff to each department who work to improve the work environment for employees. Eligible for these positions are any staff at the senior or managerial level who have served in their departments for at least six months, while demonstrating a mindset of caring about their coworkers, a commitment to the GWP and an attitude towards serving others. The one-year term is unchangeable unless special circumstances arise as outlined in company policy. The servant acts as an agent of change for incorporating creativity, innovation and entrepreneurship into the company's corporate culture and plans and implements GWP activities at the departmental level as a facilitator of communication between the department manager and staff. They also conduct surveys using the Samsung Culture Index (SCI) to monitor the corporate atmosphere and report on GWP practices through communities and a weekly mail service. As such, the servants function as the facilitators of GWP initiatives in each department, supported by the positive engagement of department staff.

GWP Awards

SF&MI evaluates the GWP activities and awards the departments demonstrating excellent performances with prizes and rewards. The evaluation criteria for the quarterly awards include the achievements and plans of each department, the continuity of activities, engagement and creativity. At every year's end, the "GWP 5-Best Awards" are given to the five best performers of annual GWP tasks who are granted rewards for their efforts.

GWP Best Awards Evaluation Process (Quarterly/ Annual Activities)



Samsung Culture Index (SCI) Survey

The SCI Survey is conducted by the Samsung Economic Research Institute (SERI), to review the corporate atmosphere and collect feedback from employees. The ultimate goal of this survey is to enhance the work satisfaction of our employees. All employees including managers answer 80 questions about their workload and fatigue, self-confidence, job satisfaction, mutual trust, teamwork, pride, engagement, etc. The survey results are shared with team managers, who are also the GWP leaders, and the GWP servants for their feedback.

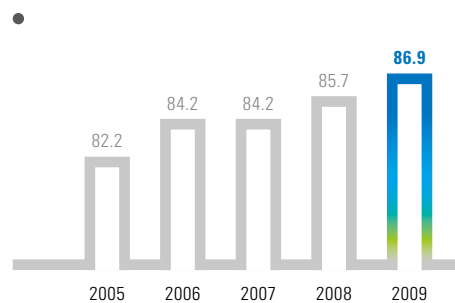
In the 2010 survey, 4,149 persons (response rate 86.8%) answered the questions and the findings show that the results improved by 5.0 points from the previous year. This result is encouraging as the company-wide efforts to improve employee satisfaction bore fruit. These efforts included the proactive sharing of management issues, the expansion of the scope and resources of beneficiaries of incentives, and the adoption of new personnel management schemes such as job rotation, job opening and providing promotion advantage to field personnel.

Internal Customer Satisfaction Index (ICSI)

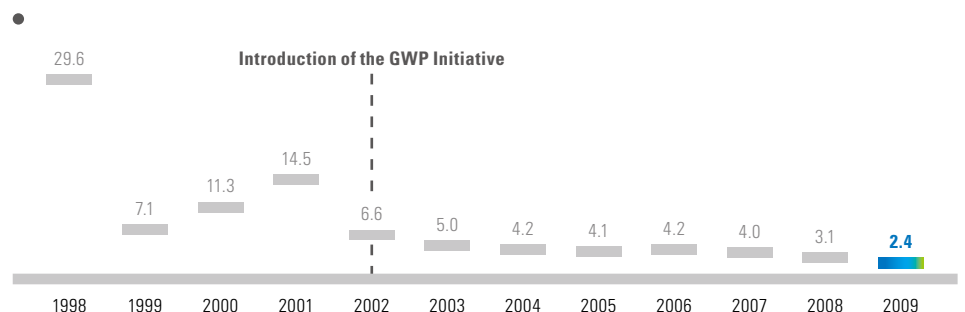
SF&MI conducts regular Internal Customer Satisfaction Index (ICSI) surveys. The survey assesses inter-departmental communication, relationship structure, communication processes, employee satisfaction and the effectiveness of the company's efforts in each of these areas. The results are reflected in the evaluation of the performance of executives. The ICSI results are on a rising trend, a clear indicator of the successful establishment of improvements in corporate culture within the company.

Since the introduction of the GWP Initiatives in 2002, the separation rate of employees has been on a decreasing trend from 6.6% in 2002 to 2.4% in 2009—evidence of the GWP's positive influence on employee satisfaction. We will continue our endeavors to create a great workplace for our employees.

The ICSI Result Trends (unit: points)



Separation Rate (unit: %)



- Shared Vision Communication Campaign
- Communication Volleyball Contest
- Employee & Family Morale Boosting Campaign Poster



Realizing the Great Workplace (GWP)

We have various internal communication channels in place to lower barriers between departments and to eliminate communication problems among them. Through these means, we work to build a creative corporate culture based on trust and communication.

Shared Vision Communication Campaign

As the 2008 ISCI survey results revealed a lack of inter-department communication, we launched a company-wide campaign in 2009 to enhance employee mindset and improve communication. The “Shared Vision Communication Campaign” connects departments that are closely related to each other as “best partners” and the departments from the headquarters and front-line as “best sponsors.” The campaign has successfully promoted inter-department exchanges of issues and information, improving mutual understanding and communication between the headquarters and the front-line. As a result, the departments respect each others’ opinions and the entire work process and conditions have significantly improved.

Communication Volleyball Contest and Communication Plaza

In line with the “Shared Vision Communication Campaign,” we held a “Communication Volleyball Contest” to promote inter-departmental communication and exchanges. During the tournament’s preliminary contests, where all 196 departments competed, the players met their competitors at the “Communication Plaza” to better understand each others’ jobs and duties. The winners of the preliminary contests proceeded to the final round. The “Communication Volleyball Contest” and “Communication Plaza” provide our employees with opportunities to communicate with other departments through the company’s representative sport and the fair competition strengthened the teamwork of employees as the preferred method of internal communication.

Campaign to Boost Employee & Family Morale

We set May as a “Family-Friendly Month” and ran various family programs that the whole family can participate, such as inviting our employees’ families to our office building. A total of 13,200 employees and their families participated in our family programs in 2009. These programs help our employees realize a better work-life balance.

- Opening the Maumnuri Consulting Room
- Maumnuri Consulting Room



In-house Club Activities

To help our employees realize a better “Work-Life Balance,” we promote and support various in-house club activities, which improve the work atmosphere and make the work environment more exciting. As of January 2010, the company subsidized 35 clubs, to which 1,150 of our employees are active members. At the same time, we air special features on the clubs on our in-house broadcasting programs and build communities to improve the accessibility of various club activities for employees. Activities include sports, photography and fishing. In addition, we give awards for excellent club activities and subsidize the clubs for the benefit of our Risk Consultants (RC).

Grievance Handling Programs

We run an ombudsman program to enable our employees to work in the best possible working conditions. Grievances regarding deployment, promotion and other personnel management issues are handled separately by the HRM Issue Ombudsman. Sexual harassment cases at work are also reported to a dedicated consultant. We also run a course in our e-shared value training program under the theme of “a sound corporate culture free of sexual harassment or discrimination.” All of these programs operate in complete confidentiality to ensure the security of the personal information of participants.

Employee Grievance Handling Programs

Ombudsman

Reference to the Ombudsman Committee > reflecting the opinion of employees’ representative > reflecting the opinion of CEO > notification to the related department > notification of the results to the reporter

HRM Issue Ombudsman

Raising a HRM issue on the intranet > complaints > reception and assignment of consultant > review of the issue > notification of the results

Sexual Harassment Ombudsman

Raising a sexual harassment issue on the intranet > reception and assignment of consultant > review of the issue > notification of the results

Psychological Counseling Center for Employees

In August 2010, we opened a psychological counseling center for our employees and their families called “Maumnuri,” which means ‘a shelter for your mind and body.’ The “Maumnuri Counseling Center” helps our employees ease the stress of work and grievances, thereby enhancing productivity and building a sound corporate culture. Employees are provided with the services of professional counselors regarding relationships, family issues and personal and mental issues as well as various tests of personality, aptitude and academic expertise.

“We are determined to grow into a green eco-friendly company, one that cares about the environment, health, safety, traffic and culture, and contributes to the government’s low-carbon green growth initiative.” — CEO’s Commitment to Green Management

SF&MI’s Green Management

Environmental issues, such as climate change and the destruction of ecosystems, not only cause financial losses but also pose a threat to the survival of human beings, calling for nations around the world to take action to protect the environment. The environmental impact of business activities, such as the discharge of pollutants, holds companies around the world accountable for destruction of the environment, raising the importance of eco-friendly management practices. On the other hand, climate change due to global warming has made it more complicated and difficult to forecast natural disasters such as typhoons, floods and heavy snowstorms, giving rise to the need for appropriate risk management. Without an appropriate risk management system, the insurance industry is highly likely to be exposed to enormous losses due to unpredictable natural disasters.

To hedge the risks posed by weather, SF&MI implemented eco-friendly management practices in consideration of the environmental impact of our products and services, as well as our business activities, while fulfilling the company’s corporate social responsibilities.

Environmental Management System & Policies

In 2010, we organized an “Environmental Council” to review environmental issues and make decisions regarding these issues, laying the foundation for systematic environmental management. Currently under development are the company’s environmental management policies including the vision, five principles, secretariat, and action plan. In the future, we will establish these mechanisms and solidify our environmental management platform.

Environmental Emblem

As we establish an environmental management system, we have created an Environmental Emblem as an expression of our commitment to green management and have shared it with our stakeholders. The Environmental Emblem is applied to various campaign posters, leaflets and insurance policies and we will expand the number of applications in the future.

• SF&MI Environmental Emblem





Electronic Insurance Policy

The insurance business characteristically entails a large amount of paperwork such as the contract agreement, duty of disclosure, product information, comparison descriptions and other documents. As part of its eco-friendly work environment initiative, SF&MI adopted the electronic policy program in 2009 to reduce the use of paper. Starting with long-term and auto insurance in 2009, we plan to phase in an electronic policy for internet insurance products in 2010. We also grant mileage points worth KRW540 for auto insurance and 1% on long-term policies for customers who opt for an electronic policy and use the subscription form to donate mileage to environmental civic groups. We also contribute the money saved from the reduction of paper use to environmental protection projects undertaken by the Korea Forest Service.

Addressing Climate Change

Carbon Disclosure Project (CDP)

SF&MI joined the Carbon Disclosure Project in 2010 as an expression of its commitment to environmental management. The CDP is a global initiative where companies from 60 countries around the world work to fight climate change. As of 2010, a total of 534 global financial institutions have subscribed to the project, which requests that more than 3,000 companies around the world provide information on their activities aimed at mitigating climate change such as greenhouse gas (GHG) emissions, risks and opportunities arising from climate change and carbon management plans. As a signatory to the project, SF&MI also proactively discloses its risk information on climate change.

Reduction of GHG Emissions

Eco-Office | SF&MI has introduced an "eco-office" initiative to minimize environmental pollution and greenhouse gas emissions caused by its business activities. Since 2009, we have utilized a Personal Net Fax System, where employees can fax their documents by e-mail, allowing us to remove 37 printers and 49 fax machines from our headquarters. We also encourage our employees to reuse copy paper to reduce our paper use. In addition, we encourage all employees to use the power-saving function of their PCs when they are away from the computer for more than 10 minutes. The air-conditioning system maintains the indoor temperature at around 26~28°C in summer and 18~20°C in winter. The office lights are automatically switched off during lunch time and when employees leave work.

Reduction of Indirect GHG Emissions | At SF&MI, we encourage all employees to commute by public transportation in order to reduce the amount of indirect emissions of GHGs caused by transportation. Business trips are subsidized with discounts on train fares in collaboration with the KTX. Even when it is necessary, employees are only allowed to use their own cars when they have received the consent of the Personnel Management Team. In order to encourage our employees to commute by public transportation, we use the group's shuttle buses.

* The greenhouse gas emission data includes the emissions from headquarters, branches, Yuseong Training Center and the Volleyball Team training center.

* Vehicle count only includes the vehicles used in fire-related operations. Vehicles used for loss adjustment and *anycar* services are excluded.



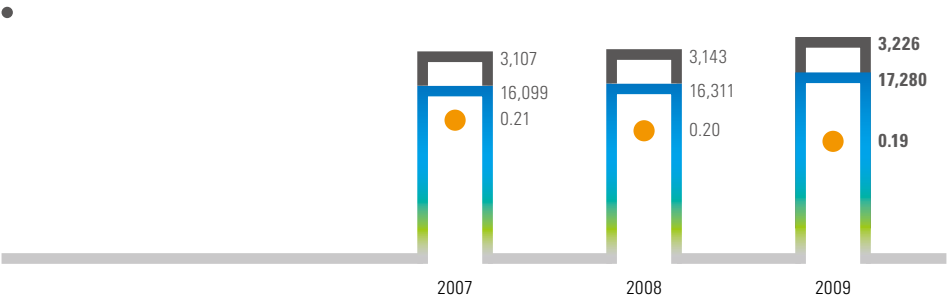
Samsung

Earth Hour | In March 2010, we participated in the Earth Hour activities sponsored by the World Wildlife Fund and the Korean Ministry of Knowledge Economy. Participants in the event around the world turned off the lights for an hour from 20:30 to 21:30 on March 27, 2010, Korea Time. Inviting our employees, RCs and customers to the campaign, the event provided us with an opportunity to awaken the public to the importance of saving energy.

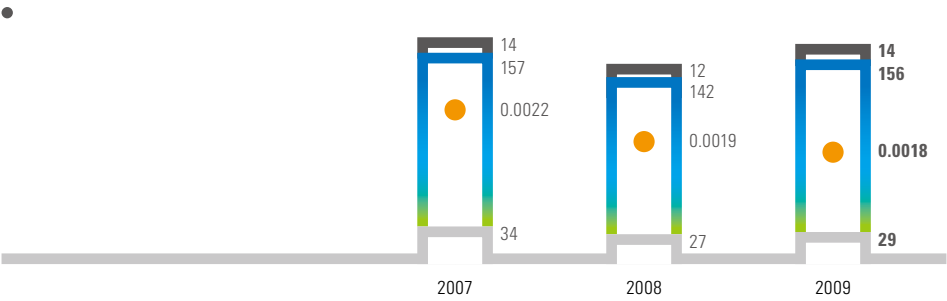
Control of GHG Emissions

We measured the GHG emissions arising from the operation of our headquarters, branch offices and vehicles to monitor the environmental impact of our business activities. In 2009, our electricity use generated 17,280 tons of CO₂ emissions while fossil fuel use generated 3,226 tons of CO₂. However, the unit load emissions of CO₂ were on a decrease over the past three years. The unit load emissions from the operation of vehicles also continue to decrease as a result of our endeavors to reduce GHG emissions.

CO₂-equivalent Emissions (electricity, fossil fuel use) (Unit: tco₂, tco₂/ KRW 100 mil.)



CO₂-equivalent emissions (vehicles in possession) (Unit: tco₂, tco₂/ KRW 100 mil.)



- Smart & Green
- Smart & Green Seminar



Smart & Green

In collaboration with the Korean Ministry of Knowledge Economy (MOKE), SF&MI has been involved in the “Smart & Green” campaign for a paperless office, since April, 2010. The MOKE has emphasized the necessity of green management in attaining the standards set by the government’s low-carbon green growth initiative. SF&MI, for its part, has also been engaged in green management as we have introduced internet-based insurance products and adopted digital documents for subscription and policy documents. Judging that a government-private cooperative campaign would be effective in promoting green management, we selected the Korea Internet Communication Association (KICOA) as the administrator of a public campaign to run on various public relations channels and to hold seminars and contests.

‘Smart & Green’ Seminar to Promote Internet Use | As Korea’s only user-oriented private organization, the KICOA propagates the necessity of green management through bimonthly ‘Smart & Green’ seminars. During the seminars, the internet operation staff from companies and public organizations review and brainstorm effective ways of going paperless and of improving work processes through interactive communication channels. We also launched the ‘Smart & Green User Forum’ comprised of internet operators from companies. The forum will work on standardizing the Green Management Operation Guidelines, benchmarking the system and creating content for green management, while compiling the know-how of each company.

Internal Seminars on Climate Change

In May 2010, SF&MI held a seminar to awaken employees to environment risks and to help them discover new eco-friendly business opportunities. Under the theme of “Climate & Environmental Change Risks and the Financial Insurance Industry’s Role” the seminar offered employees two hours of instruction on environmental issues. This established a successful case of an environmental training program with voluntary participation by our employees.

Climate Change Risk Management

Established in 1979 as the first risk management organization in the Korean non-life insurance industry, the Samsung Loss Control Center has provided risk management services for the prevention of accidents at its customers’ business premises. In response to the rising need for managing risk related to climate change, we survey climate change risk factors and provide total risk solution consulting services for our corporate clients. We are also involved in various research activities and consulting services regarding climate change risk such as reviews of the carbon emissions trading scheme, consulting support for the CDM projects and consulting on addressing the GHG Reduction & Energy Management.

Possessing real estate and providing secured loans, insurance companies need to hedge asset investment risks as an asset-holder and investor in climate-related derivative products. Keenly aware of the importance of assessing risk potentials, the center monitors and analyzes the potentiality of abnormal climate, waterborne diseases or other pathogens, air pollution, water and food scarcity and low quality, insufficient energy supplies, as well as other factors.

Climate change also presents SF&MI with new business opportunities. The growing risks stemming from climate change are expected to lead to rising market demand for the hedging of credit and liquidity risk arising from the qualitative calculation of potential expenses related to the mitigation of the effects of climate change. We aim to take the lead in new business opportunities in global warming markets, while solidifying our market position as a leading insurance company.



An MOU for Electric Car Infrastructure

SF&MI entered into an MOU on a partnership between its *anycar* Service and AD Motors in May 2010, to construct an infrastructure for its domestic electric car customer service.

The *anycar* Service runs the *anycar* Call Center around the clock, and supports AD Motors with complicated follow-ups such as the distribution of replacement components for AD Motors’ electric cars, as well as aftercare service and emergency response. SF&MI, for its part, provides optimal insurance policies and financial programs as an exclusive partner for developing insurance products for electric cars.

As such, SF&MI aims to take an advantageous position in the market for electric car insurance while contributing to the development of eco-friendly industries through its technical consulting, distribution and financial information services for green growth.

Eco-Friendly Insurance Product
Development & Sales

SF&MI was the first in the industry to introduce bicycle insurance policies for individual clients. In collaboration with KB Bank, SF&MI introduced “Green Bicycle Insurance” in June, 2009, which covers the subscribers’ injuries as well as compensation for injury or damage to a third party’s person or property. The introduction of this insurance was a timely and clever move given the rising number of accidents involving bicycles in tandem with a recent trend of growing numbers of people choosing bicycles as an eco-friendly and healthy form of transportation.

SF&MI was selected as an operator of the “consumer safety insurance program,” which helps customers purchase safe and eco-friendly agricultural products directly from farms in Jeollabuk-do Province, Korea. Our policy covers compensation for damage suffered by consumers in cases such as detection of residual chemicals, intake of foreign substances or rotten products.

Also available are “Wind storm and flood insurance” and “Environmental Pollution Liability Insurance.” In June 2010, we even introduced “Weekday No-Car Drivers’ Insurance.”

Eco-friendly Products

Products	Descriptions
Bicycle insurance	Covering the compensation to the damages to body or property of a third party due to the accidents involving our bicycler customers
Eco-friendly Crop insurance	Covering the compensation for the damage that the consumer suffered due to the detection of residual chemicals from agricultural products, or intake of rotten produce
Environmental pollution liability insurance	Providing financial support for speedy recovery from pollution and prevention of the pollution from spreading in the case of civil liabilities due to pollutant discharge by the insurance policy-holder
Wind storm, flood insurance	Covering the restoration expenses from the damag to on houses, greenhouses, barns and other facilities by storms, heavy rains or snow, or typhoon
Weekday No-Car Drivers’ insurance	Offering discounts on the auto insurance premium to policy-holders who participate in the “Weekday No-Car” campaign

Capitalizing on the characteristics of the insurance business, we run social contribution programs that help establish a culture of traffic safety, improve public recognition of disabilities and ensure safety in our daily lives.

Traffic Safety Culture

Samsung Traffic Safety Research Institute

SF&MI established the Samsung Traffic Safety Research Institute, Korea's only privately-run traffic safety research institute, in July 2001, to perform R&D activities on traffic and traffic safety programs.

One of the major functions of the institute is providing technical support for the government's traffic safety systems. While implementing R&D projects on traffic safety issues and reporting the results, it also collaborates with the government's state-run institute on developing future traffic safety models for the nation. For instance, the institute supported the prime minister's initiative to "Halve the number of traffic accident casualties," and made suggestions to the Presidential Council on National Competitiveness (PCNC) to develop traffic safety projects.

The Samsung Traffic Safety Research Institute also cooperates with the government and other organizations on traffic safety projects. In conjunction with central and regional governments, it holds various academic events on traffic safety, including two Traffic Safety Symposiums each year, annual traffic safety programs on safety supervision offered through Offices of Education across the nation and annual road traffic seminars for regional governments. It also monitors traffic safety on roads with high traffic accident rates in collaboration with local governments. In addition, the institute regularly collaborates with police and civic groups on "Wear Your Seatbelt" campaigns and "Do NOT Drive under the Influence" campaigns.

Endeavors for Traffic Safety Culture

The Traffic Safety Culture project is the major project that has been implemented by the institute to enhance the nation's drivers' road sense through PR and educational activities. Conducting various surveys including analyses of the road sense of drivers and pedestrians, safety checks on accident-prone roads, the establishment of environment-friendly traffic systems and evaluations of the degree of injuries to the human body by vehicle type, the institute publicizes the results through the mass media. It also uses the press to establish a sound traffic safety culture. From 2005 to 2009, the institute ran 325 TV advertisements, 42 radio campaigns and was 670 times featured newspapers. Along with these press relations, the institute also operates educational programs to improve the road sense of various groups of people. For six years from 2003-2009, it provided 553 training classes for 86,491 mothers and guest lecturers and traffic safety training for 800,000 children from preschools, kindergartens and elementary schools. In addition to the training sessions, the institute also provides safety supplies and publishes leaflets for the training courses on how to prevent traffic accidents involving children. It also offers about 70 educational sessions on traffic safety annually to drivers from companies, fire stations and the military as well as teachers, female drivers and traffic offenders. The institute also provides safe driving consulting services to professional drivers such as bus, taxi and cargo drivers through the Safe Driving Management System (SDMS).

The Samsung Traffic Safety Research Institute will continue its endeavors to establish an advanced traffic culture by improving the traffic infrastructure, enhancing the safety of vehicles and improving the road sense of drivers and pedestrians.



Samsung *anycar* Traffic World

We have operated the “Samsung *anycar* Traffic World,” a traffic safety training center for children, since 1999. To date, a total of 240,000 children, including 12,000 in 2009, completed the course. Since 2001, the institute has offered a “Bicycle Driver’s License Test for Children” once a month. After giving basic training courses on traffic safety and safe bicycle-riding practices to children, we test their attainment of the standards through documentation and driving tests. Children who pass the test receive a “Bicycle Driver’s License” issued by Safe Kids Korea. To date, a total of 1,600 children have passed the test and taken home the license.

Supporting the Disabled

Guide dog Training Program

In an effort to realize an advanced disability service, SF&MI runs the Samsung Guide dog School to train and donate guide dogs to visually-challenged citizens. Founded in 1993, the center is a member of the International Guide Dog Federation (IGDF). It trains and donates guide dogs a couple of times a year. Since the first donation in 1994, it has donated a total of 130 guide dogs, including 60 guide dogs in service in 2009. The center is the world’s only canine center that is sponsored by a company, providing systematic management procedures ranging from breeding to aftercare so as to foster high quality guide dogs.

SF&MI runs various media advertisements and campaigns to improve public recognition and awareness of the bias against people with disabilities. By initiating social discussion on the accessibility of guide dogs to public facilities, the company contributed to amending the “Welfare of Disabled Persons Act,” which promotes free access for guide dogs to public places and transportation.

We also are transferring our knowledge and experience to new guide dog centers at home and abroad. Currently, we educate guide dog trainers and transfer technologies to the guide dog centers at Daekyung University in Gyeongbuk, Korea and the National Pingtung University of Science and Technology in Taiwan. These support activities will contribute to the spread of guide dog training centers across the nation, while positioning the Samsung Guide dog School as a leading Asian center in the future.

Improving Public Recognition of Disabilities

SF&MI has been involved in campaigns to improve public recognition of disabilities since 2000 and has implemented various programs to assist the disabled to live as ordinary citizens. In partnership with the Korea National Institute for Special Education (KNISE) and the “We First Movement,” the company selects and awards school classes and childcare centers that set good examples for the integration of the disabled and the abled. In 2009, a total of 16 kindergartens, elementary and middle schools were awarded for their efforts.

SF&MI sponsors an integrated camp for both disabled and abled teenagers to improve their recognition and understanding of those with disabilities. A total of seven camps since 2002 have educated 700 abled and disabled students and their teachers. These camps aim to ensure that disabled students can adjust to school and social life as ordinary citizens.

- Integrated camp for both abled and disabled students
- Disabled Support Programs



Integrated Camp for Disabled and Abled

SF&MI runs a talent camp for disabled teenagers with musical talent, a first in Korea. In partnership with Nazareth College, we provide musically-gifted disabled students with music lessons and places to practice and consult with their parents on the children's future. We also hold music concerts for the disabled teenagers to give them opportunities to show off the talent they have practiced.

The SF&MI Bluefangs Volleyball Team was chosen as the goodwill ambassadors for the "We First Movement." The team has participated in various events such as inviting disabled students to events, appearing in public service advertising, participating in campaigns to protect disabled students from being bullied or treated as outcasts and attending class events, which helped cheer up the disabled children with hopes of a better future.

Sponsoring Production of Dramas to Help Teenagers Understand Disability

SF&MI entered into a "Social Agreement on Improving Public Recognition of Disability" with the Korean Ministry of Education, Science & Technology and the "We First Movement" in 2008. Under the agreement, we produced three educational dramas for teenagers to understand those with disabilities and distributed the programs to middle and high schools across the nation. Having produced and distributed the first episode of the series "My Friend" in 2008, we released the second episode "Good Friends" in 2009, which was aired nationwide through the Korea Broadcasting Station on April 20th, the International Day of Disabled Persons. In August, we sponsored a public contest for a sequel of these two episodes, inviting middle and high school students across the nation to participate in the drama production. The new drama will add to the growing collection of useful materials that can be used for improving the recognition of disabilities by students and teachers

Overseas Subsidiaries' Sponsorship of People with Disabilities

As a responsible global leading company, SF&MI engages in various community programs for local communities in which its overseas subsidiaries operate. Samsung Fire & Marine Insurance China donated 200,000 Yuan, or KRW35 million to the China Disabled Persons Welfare Fund in 2010. Starting in 2010, the company plans to donate 200,000 Yuan to the fund every year and to donate five Yuan from each sale of auto insurance to improve the living conditions of disabled people in poverty and subsidize their children's education.

Life Safety Practice Campaign

Enhancing safety mindset through Safe Seoul Festival

SF&MI entered into an MOU with the Seoul Metropolitan government in 2009 for a joint partnership on safety prevention campaigns and the promotion of a customized safety culture to enhance the safety and security of Seoul city. Under the contract, we held the 2010 Safe Seoul Festival jointly with the Seoul Metropolitan government, further cultivating a mindset based on safety in the minds of Seoul's citizens.

The Safe Seoul Festival promotes safety and is open to everyone. Awakening the public to the importance of safety, the events also provided useful information on safety that can be applied in the daily lives of participants.

In the future we will continue our efforts to raise public awareness of safety issues and improve the safety of our customers.

04

SAMSUNG FIRE & MARINE INSURANCE



Our Stakeholders



I don't need to dress up when I meet you. I don't have to be worried about what to do when we are together. I could just look into your eyes and be comfortable expressing who I am. It is because we are good friends.
Samsung Fire & Marine Insurance is a "true friend" to our customers, shareholders, employees, local communities and partners.

068 _____ Customers

080 _____ Shareholders

088 _____ Employees

098 _____ Local Communities

106 _____ Partners



Our Stakeholders/ Customers

Samsung Fire & Marine Insurance provides the best customer service and has set a clear goal to enhance customer satisfaction. In order to heed the voices of our customers and reflect their opinions in our business activities, we conduct customer satisfaction surveys operate a customer satisfaction task force, an on- and off-line customer panel program and Customers Satisfaction (CS) training programs for our employees.



Keep your vehicles light.

- Lighter cars consume less fuel. Traveling 50km with 100kg of unnecessary weight consumes approximately 80cc's of fuel.



Add air injection to your water tap.

- Attached to showers or water taps, air injectors reduce water usage by up to 50%. Hand showers also reduce the wasting of water due to their extended reach.



Fill up your washing machine.

- 90% of the energy consumed by a washing machine is to heat up the water. They also consume approximately 95 liters of water in one operating cycle. Therefore, fill up your washer to save water and energy.

Reorganization for Customer Satisfaction

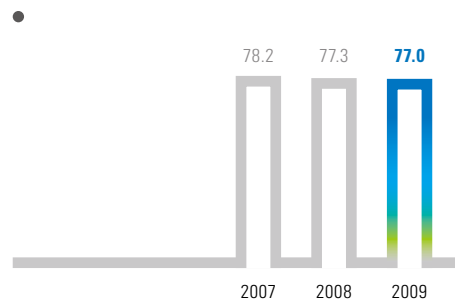
Committed to offering the finest quality services to improve customer satisfaction, we set qualitative goals and monitor our practices around the clock. In addition to the customer satisfaction survey, which reflects the voices of customers, we run on- and off-line customer panel programs and operate an organization dedicated to customer satisfaction, while providing CS training on contact points with customers for our employees. These are all effective channels for collecting and reflecting the valuable opinions of our customers in our development of products and services.

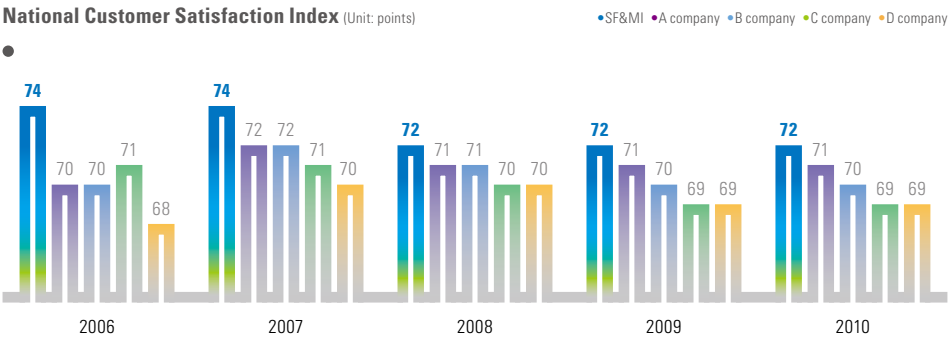
Customer Satisfaction Management

SF&MI conducts an annual Customer Satisfaction Index (CSI) survey internally to evaluate customer satisfaction and complaint factors and to develop measures to improve the quality of our services. In 2009, we upgraded the questionnaires by segmenting the criteria and items of the customer satisfaction survey, improving the accuracy and utility of the survey's results. The survey results showed that customer satisfaction declined in 2009 from the previous year. Therefore, we reviewed our customer relationship management programs, core customer response process and reinforced our online communication channels.

We ranked at the top of the non-life insurance category in the National Customer Satisfaction Index (NCSI) for the ninth consecutive year. The NCSI is a survey of end-user satisfaction with products and services provided in domestic markets. Furthermore, we have topped the Korea Service Quality Index (KS-SQI) for eight years in a row, the Korea Customers Satisfaction Index (KCSI) for thirteen consecutive years, the Korea Service Awards for seven years in a row and the Customer Satisfaction Management Awards for five consecutive years solidifying our leadership in the insurance industry. SF&MI reflects the results of our internal and external customer satisfaction surveys in our business activities so as to provide quality services to our customers and to secure market leadership in terms of service quality.

Internal Customer Satisfaction Index (Unit: points)

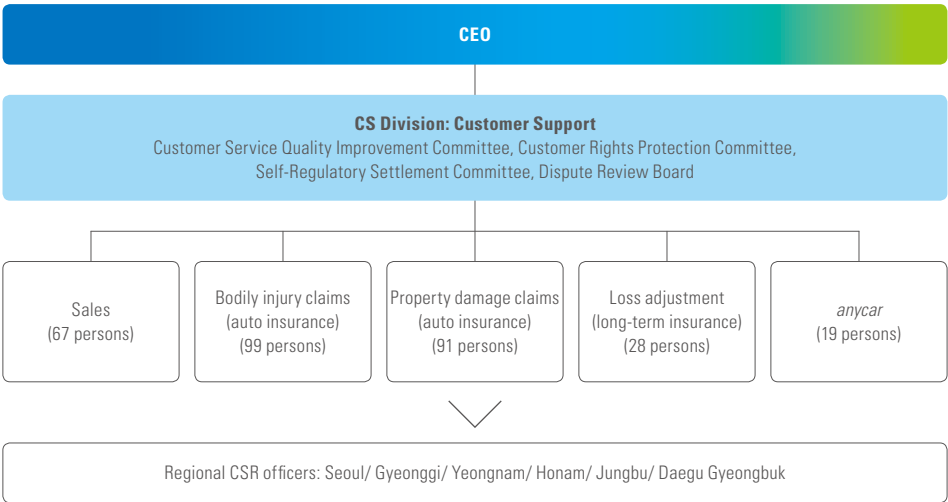




Customer Satisfaction Organization

To rationalize the process in our customer support system, we set up an organization dedicated to customer satisfaction. Various councils work to install innovation and improve customer satisfaction company-wide. At contact points with customers, the leaders of the councils guide the execution of the company’s CS processes in the field.

Customer Satisfaction Organization



304 CS leaders at contact points

CS Leaders | CS leaders act as messengers between the headquarters and the field, delivering the headquarters’ customer satisfaction management policies to the field and supervising CS practices in the field. They also provide training on how to have a CS mindset and on the management of customer relations, helping our employees strengthen their CS competencies. We have set a goal of increasing the number of CS leaders at all contact points in 2010, granting incentives and advantages in promotions to CS leaders who excel.

CS Improvement Council | The CS Improvement Council consists of a Customer Service Quality Improvement Committee, Customer Rights Protection Committee, Self-regulatory Settlement Committee, and a Dispute Review Board. The Customer Service Quality Improvement Committee corrects the unreasonable systems or practices within the company from the customers' viewpoint. Based on the customers survey, the committee identifies key issues and conducts risk diagnoses to make decisions on policies and systems that have a significant influence on our customers' interests and suggests improvements and feedback. The committee has held regular monthly meetings since March 2009. The Customer Rights Protection Committee reviews insurance-related disputes, such as conflicts of interest and claims involving large amounts of money, fairly and objectively. Consisting of six members including professors and lawyers, the committee holds monthly meetings. The Self-regulatory Settlement Committee reviews issues entailing consumer rights' protection that require political decisions. Chaired by the director of the Consumer Center, the committee is comprised of about 10 members and holds regular meetings at least once a month. The Dispute Review Board submits and deliberates on agenda regarding excessive exemptions infringing on the interests of customers. Chaired by the director of the Customer Service Center, the committee holds regular meetings at least once a month.

CS Assessment

SF&MI operates a CS performance management system, which evaluates the company's CS practices at customer contact points for the qualitative evaluation of service standards. Measuring the quality of service, the indicators cover 13 items in seven categories; comprehensive, basic quality, standard RC, service, consulting quality and internal quality.

SF&MI Service Quality Indicators

Category		Target	Method	Period
Comprehensive	CSI	All policyholders	Interview	Annually
Basic quality	Basic quality monitoring (new)	Customers who experienced our services	e-mail	Monthly
Standard RC	Customer relationship management satisfaction	Customers subject to the Touch opportunity, Un-contacted customers	Happy call	Monthly
Claim adjustment	Long-term insurance loss adjustment	Customers who were paid with claims in the previous month	Happy call	Monthly
	Auto bodily/ property damage coverage	Customers whose cases were closed or not closed in the previous month	Happy call	Monthly
	Excellent Partner	Customers who used service in the previous month	Happy call	Monthly
Service	Accident care (new)	Customers who experienced the accident care service (within a week)	Happy call	Monthly
	Emergency response (new)	Customers who experienced the emergency response service (within a week)	Happy call	Monthly
Consulting quality	Call center consulting (new)	Customers who experienced call center consulting (within a week)	Happy call	Monthly
	Teller work process (new)	Visitors (within a week)	Happy call	Monthly
Internal quality	ICSI	All employees	e-mail	Annually
	Kindly answering calls	All employees	Happy call	Bimonthly
	Work process satisfaction	RCs, branch facilitators	e-mail	Quarterly



Reinforcing Customer-Friendly Business Competencies

Standardization of the Responses at Customer Contact Points

SF&MI provides a Basic Customer Service Quality Manual in order to ensure standardized services to customers at all contact points. The manual provides the company-wide contact points with basic behavioral guidelines for quality customer service. We give training sessions to our employees by selecting the key performance indicators (KPI) for each area of sales, claims, and support divisions. As a result, we have achieved higher standards of service in customer relationships from our employees at all contact points, while effectively decreasing the number of customer complaints.

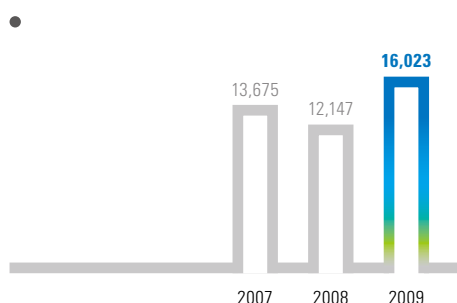
Basic Quality Behavioral Guidelines

Common	<ul style="list-style-type: none"> – Answer the phone in cheerful tone and accurate, fast and kind manner. – All customer complaints should be guided through the initial stage within an hour and solved within three days.
Sales	<ul style="list-style-type: none"> – Suggest coverage and premiums appropriate to the customers' needs. – Comply with the three mandatory terms and deliver policies within a week from subscription. – Emergency information, back claims, accrued premiums shall be handled with priority and all customers shall be contacted at least once a quarter.
Claims	<ul style="list-style-type: none"> – Ease customers' minds by making an instant call after payment. – Provide full guides on the procedures of accident care services and claims services. – Update customers with progress and results of claims service.
Support	<ul style="list-style-type: none"> – Reflect voice of customers for development of products and services. – Make every effort in supporting front-office lines with accurate information and fast decision-making. – Provide the best possible customer convenience by streamlining the work process at contact points.

CS Education

SF&MI runs regular study programs for employees working at customer contact points in the sales and claims services, teller and call centers. Beginner, intermediate and advanced courses as well as an instructor course provide systematic training according to job class and duties. The cyber CS and CS educational broadcasting programs improve the CS mindsets of employees. In 2009, we strengthened our class-based training of employees to enhance their CS mindsets and improved our job function training to realize a standardized quality of services. We also plan separate courses for our RCs and suppliers.

No. of CS Trainees (Unit: persons)





CS Training Courses

Course	CS Beginners	CS Intermediate	CS Advanced	Instructor-fostering program
Description	Service mind Business manner Image making Service communication Addressing customer complaints	R/P specialists 4 Power Sales Strategy DISC PI Consulting Emotion communication	Presentation skills Self Leadership Stress Management Organizational promotion CS Clinic	Cultivating the basic qualifications of instructors Five qualifications of kind service Comprehension of lecture skills

Customer Response Training

At SF&MI, we mandate that all employees take on- and off-line courses on customer response. The offline courses include the standards of service quality by job class and function. A total of 15,188 persons completed 441 sessions of this course in 2009. The online course involves reducing the number of customer complaints and assisting our employees in reinforcing their customer service competencies.

In addition to the regular training courses, we share customer complaints company-wide to prevent a recurrence of similar cases in the future. The VOC Daily is an intranet channel for sharing case studies. We also publish and distribute case study manuals on customer complaints response and customer service quality. In addition, we conduct field consulting services to promote the basic qualities of customer service so as to reduce complaints as well as share negative cases to prevent recurrence. Sharing the best practices of response to customer complaints at contact points also helps us improve our service quality.

Complete Selling

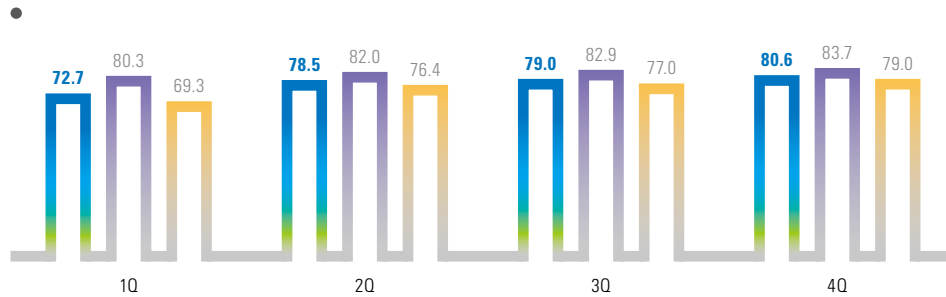
SF&MI engages in various programs aimed at establishing ethical insurance sales practices and the protection of consumer rights through complete selling practices. Complete selling requires compliance with three basic principles of insurance sales and a full explanation of products by qualified solicitors. The three principles are: 1) a detailed explanation of the policy description, 2) signatures on the subscription application form and 3) delivery of a copy of the subscription form to the customer. Committed to establishing complete selling practices within the company, SF&MI has reinforced its internal training and audit. Every new contract entails the monitoring of telephone conversations by the headquarters for improved customer satisfaction. Monitoring compliance with the three basic principles, any incomplete cases of selling are either rescinded with refunds or shortfalls are filled.

Service Standardization Management Monitoring

SF&MI monitors CS practices for the standardized management of sales, claims, and support services. CS Monitoring is shared through a monthly CS Trend magazine, which includes information on current CS practices, such as customer satisfaction management, claims satisfaction, repair service satisfaction, and customer relationship management. This information is used to share the present condition of our CS activities and improve our overall CS.

2009 Quarterly Sales Satisfaction Rate (Unit: %)

• Total • Automobile • Long-term



VOC(Voice of Customer)

Establishing an Integrated Voice of Customer System

SF&MI operates an integrated voice of customer (VOC) system to instantly address customer complaints and utilize their demands, complaints, compliments and reflect them in creating new ideas and the development of new products. All customer complaints are handled on a real time basis and used in conjunction with policy, claims and marketing information, efficiently resolve complaints and appreciate customer needs. In connection with various internal support systems such as best practices, customer propensity analyses and the management and improvement of service quality, the VOC system supports the company-wide Customer Relations Management (CRM) activities.

The VOC results are released to employees through the monthly VOC Report as they have become an integral tool for our management of customer value.

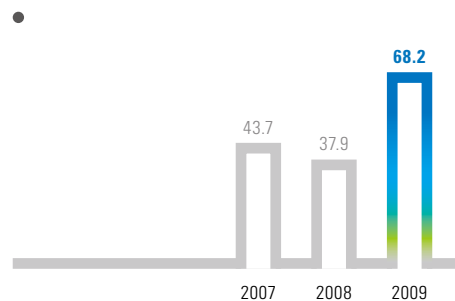
2009 VOC Cases by Type

Rank	Descriptions	Share (%)
1	Request for changing RC for unsatisfactory contract management	23.8
2	Complaints regarding the payment method (changes to or elimination of systems, payments in card, etc.)	22.9
3	Complaints about aftercare customer relation management (call, visit, etc.)	4.6
4	Unsatisfactory claims process regarding property damage coverage	2.3
5	Bad transferring of contracts	2.2
6	Inquiries on subscribed products & contract information	2.2
7	Insufficient explanation of products (claims by collateral)(dispute over liabilities)	1.7
8	Compliments to claims staff	1.6
9	Unsatisfactory claims process regarding bodily injury coverage	1.5
10	Insufficient explanation of products (maturity repayment and maturity repayment rate, termination refund & termination refund rate)	1.4

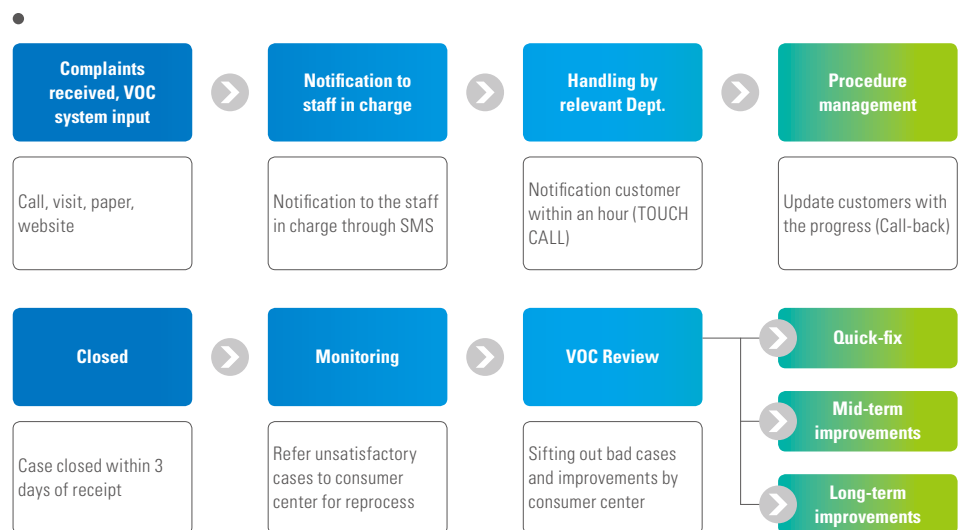
Customer Complaints Management System (CCMS)

At SF&MI, received VOCs are handled, monitored and addressed through the Customer Complaints Management System (CCMS). Upon receipt, VOCs are brought to the attention of the staff in charge, who make a "Touch Call" to notify the customer within an hour that their case has been received. Complaint cases are updated as to their progress through Call-Backs. Since 2009, we have shortened the duration of the handling of VOC calls from three days to 24 hours, enhancing the speed in which complaints are addressed. As a result, the case-handling rate within 24 hours significantly improved from 37.9% in the previous year to 68.2% in 2009. The VOC's closed cases are monitored as to whether customers are satisfied with the handling process and end results. In the event of unsatisfactory results, the case is reprocessed through our Consumer Center.

Customer Complaint Handling Rate within 24 Hours (Unit: %)



VOC Self-Regulatory Management System



VOC Employee Evaluation

SF&MI requests customer evaluations of employee performances in handling VOC complaints every half year. An external survey agency is contracted to make phone-call surveys to evaluate the performances of our employees in terms of the initial contact, the time taken to reach a resolution, the performance of staff in charge and the customer’s satisfaction with the overall service. The results are managed by special units at departmental, divisional and company-wide levels.

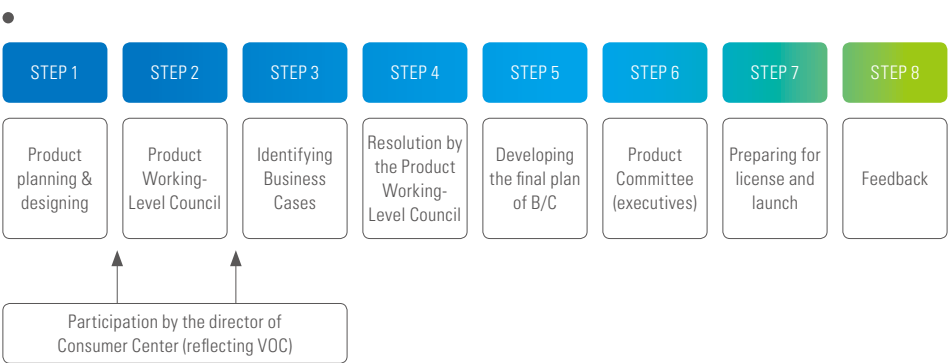
Turning the VOC into Management Assets

Analyzing the patterns of VOCs, we determine if recurring cases and cases demanding improvement arose from our internal systems. If this is the case, we refer it to the Customer Service Quality Improvement Committee, which is mandated to find immediate solutions. These solutions reflect the importance of the VOCs in our management activities and make intangible assets to our database.

At SF&MI, products are developed through an 8-step process. At the initial stages of the 8 steps, a Product Working-level Council, Business Case Study group, and the head of the Consumer Center participate in receiving VOCs. While striving to reflect customer opinions in our products through these systems, we also develop various long-term and general insurance products. For instance, we recently introduced *myanycar*, which was developed based on customer voices, and is different from the conventional online automotive insurance products. In addition, we have developed various innovative services in partnership with telecommunications, credit card, securities, mobile phone and Internet services, catering to the diversified needs of customers.

To answer the customer demand that SF&MI should live up to its corporate social responsibilities, we have also developed special products such as comprehensive insurance, which offers benefits to auto-related welfare facilities, and *anycar* Automotive Insurance with special features for sponsoring undernourished children.

Product Development Process



- Customer panels
- Customer Suggestion Campaign



VOC-Reflected New Products

Year	Name	Features
2005	Medi Plus Children	– Reinforced child care services with fetus coverage and multiple children's cancers
	AllLife	– To respond to customer needs in an aging society, death from injuries and long-term nursing expenses coverage up to 99 years
2006	Top Drivers	– Various insurance period, enhanced coverage and customers' options on interest rate policy
	Allife Prestige	– Property insurance with differentiated sales plan by business type
2007	Build a Safe World	– Driver's insurance with partnership services such as vehicle maintenance, etc.
	Happy 5080 Insurance	– Silver insurance with expanded subscription age – Coverage of nursing expenses, doctors' fees and funeral expenses
2008~ 2009	Mother Care Children Insurance	– Innovative children's insurance with new coverage of eyesight correction expenses, false occlusion correction fees and partnership services such as language practice camp
	Super Save Insurance	– Providing various plans for each use of funds and allowing free design of insurance duration and premium payment period, etc.
	Any home Comprehensive Insurance	– General insurance covering fire, liabilities, theft, monetary losses from hacking, electronic goods repairing, liabilities in life, legal affairs and taxation consulting services
	myanycar Internet Automotive Insurance	– Personal automotive insurance, differentiated and practical direct insurance service

Strengthening Customer Communication

Customer Panel

Committed to the management of customer engagement, SF&MI runs a "Customer Panel" as the channel for collecting and reflecting customer voices and their suggestions in our business strategies. The Customer Panel experiences and monitors our services at contact points and interviews customers to get their suggestions for improvements. The panel presents the results of activities once a month and participates in group discussions. They also present and share their results with top management annually.

Customer Management Suggestions Campaign

SF&MI held a "SF&MI AnyIdea Challenge" contest in 2008, inviting customers to make suggestions for improvements in our management activities. Listening to the ideas of our customers, we adopted their suggestions in our work processes and new ideas for products, services and corporate image. In the future, we will maintain various customer communication channels for win-win partnerships between the company and our customers.

Premier Customer Programs

SF&MI offers various benefits and programs for our premier customers. Premier customers are graded based on the customer value scores that are calculated using premium rates, loss rates, family subscriptions and recent records. Selected as premier customers, these customers are provided with a "The Premier CLUB" card, which comes with half-year newsletter and differentiated services such as dedicated consultants, health check-ups, access to personal leased planes or helicopters and other insurance benefit services.

- SF&MI Official Twitter
- • Mobile Website
- • • SF&MI Webzine



Homepage Customer Service

The SF&MI website offers customers and members various service programs. The website provides three categories of services: insurance services such as customer-oriented self-regulated policy maintenance; community and other services for building solidarity and enhancing customer loyalty through interactive communications between the company and customers; and product information and marketing functions to remind customers of the necessity of insurance and to provide customized consulting services to customers.

Mobile Website

In quick response to the rapid shift from a PC-based web paradigm to a mobile web paradigm, we started a mobile website (m.samsungfire.com) in July, 2010, a first in the industry, to provide differentiated customer service through greater competitiveness. By offering mobile-based services regardless of user interface (operating system, web browser, or phone gadget specifications), the new mobile website serves as the gateway for our mobile customer service. In the future, we will develop policy management services such as policy inquiries, policy loans, a history of claims service, the design of insurance policies, etc.

SF&MI Webzine

The SF&MI webzine provides consumers with useful information on traffic, safety, health, environment, culture, insurance and financial planning. It helps readers better understand the mechanisms of insurance and financial products, raising public recognition of everyday safety, while expanding customer communications based on a variety of useful content.

Online Communication Channels

SF&MI operates various online communication channels for active and differentiated communications with a variety of customer groups.

Customer Test Group – think NEXT Supporters | As part of our real-time interactive communications, we run an online customer test group called “think NEXT Supporters.” Helping our customers test and give feedback on our various customer services, we swiftly monitor customer satisfaction and make appropriate improvements.
(<http://cafe.naver.com/thinknextsupporters>)

Communications between Children and Fathers – Good Daddy | We have developed a website dedicated to fathers, called Good Daddy, to provide specialized consulting services and various tips on children’s education, future careers and dialogues with children. In providing various topics and themes for parents of teenagers to discuss with their children, we contribute to making our customers’ families happier, while improving public recognition of our efforts.
(<http://gooddaddy.samsungfire.com>)

- Customer Test Group think NEXT Supporters
- “Topics in Full Bloom-innovative idea bank for 2030”



Sunday Driver Community – “I am Chobo.” | We have opened an online community for young Sunday drivers called, “I am Chobo” café. The café offers traffic safety information provided by the Samsung Traffic Safety Research Institute, simulations of traffic risk factors on different types of roads, and a car culture webzine issued by the Samsung Transportation Museum, Carmily, for free.
(<http://cafe.naver.com/iamchobo>)

Social Network Service (SNS)

As a communication tool for the young generation, we operate social networking services, the blog “Topics in Full Bloom—an innovative idea bank for 2030 (samsungfireblog.tistory.com)” and an official twitter account (twitter.com/SamsungfireTalk). Building an online social network with the young generation through these sites, we are creating a friendlier corporate image. These effective communication schemes also serve as indirect advertisements and marketing tools for the company.

Safe Financial Service

Enhanced Customer Information Management

An effective security system is required to protect core information against network security risks and responded to rapidly-changing global financial market trends. Therefore, we have strengthened our security system. Realizing global standards for the security of customer information, the SF&MI security system boasts enhanced tools for greater server security to prevent attempts at hacking, including a double firewall, an Intrusion Detection System (IDS), the encryption of the database of customer information to prevent leakage of customer information, and “24*365 monitoring” through cyber control of an encrypted network.

To reduce the number of consumer complaints regarding the security of personal information, we regularly track our security practices at our sales branches and claims service centers, and monitor the practice of complete selling processes. As a result of these efforts, we have remained free of any security breach regarding customer information for the past three years.

Insurance Fraud Prevention Campaign

In response to a growing number of insurance fraud cases over the past several years, we are striving to prevent insurance fraud through training programs on compliance and the development of manuals. In order to reinforce internal controls to prevent insurance fraud, we have developed guidelines that stipulate the prohibition of insurance fraud by employees or sales agents, and communicated these guidelines through training programs. All employees or sales agents are strictly prohibited from involvement in insurance fraud cases, and are required to instantly notify the company in the event of any detection or knowledge of such cases. Employees or sales agents who breach these stipulations are subject to procedures or sanctions under the “Personnel Management Provisions” or “Punishment Determination Standards.” We are also building an environment conducive to the elimination of insurance fraud through recording claim history and insurance reports.

Our Stakeholders/ Shareholders

With our vision “Global Top 10 by 2020” in mind, Samsung Fire & Marine Insurance has devised three strategies: 1) equip ourselves with leading global competitiveness; 2) transform ourselves into a ‘customer-oriented service company’; and 3) establish a corporate culture based on creativity, innovation and entrepreneurship so as to realize growth and efficiency simultaneously.



Keep your foot off the gas pedal

- Abrupt acceleration or braking increases fuel consumption by 30% or more, reducing the life of your vehicle due to added wear and tear. Quick starts also consume up to 60% more fuel. Shifting gears at appropriate engine speeds reduces fuel consumption by up to 10%.



Reduce paper usage.

- Paper consumption is on the rise. Get your bills online and save the forest.



Unplug electronic devices.

- Mobile phones, electric shavers, electric toothbrushes, and other electronic devices are convenient, but they need to be charged for reuse. Unplug when not charging, as these devices continue to consume energy even after they have been charged.

Reinforcing Market Competitiveness in Our Business

Business Vision & Strategies

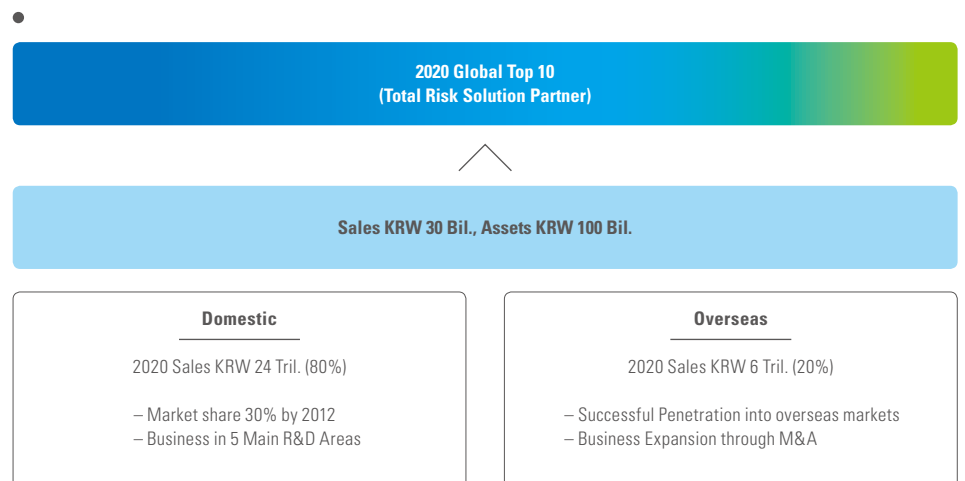
We have set a goal to become a top 10 global insurer by 2020. As a leading insurance company, we will put into action the following tasks through innovative products and services and actively pursue constant change as a leader in innovation.

First, we will strengthen our competencies so that they will be on par with those of leading global companies. Setting our sights on a broader market, we have embarked on strategies for sustainable growth as we move towards a brighter future. As the leading insurer, we will create success stories in our overseas operations and strengthen our global management competencies and operational capabilities in the overseas local markets. We will continue to make strides in innovation to ensure that we have a brighter future as a leading global company.

Second, SF&MI aims to transform into a greater customer-oriented company. Customer- and market-oriented management is the ultimate goal of all our business practices. By implementing a ubiquitous mobile-based sales and claims service network, we will actualize instant customer service, while developing innovative services.

Third, we will weave creativity, innovation and challenge into our corporate culture in pursuit of both growth and efficiency. We will explore new markets demonstrating growth potential through creative and innovative entrepreneurship, and enhance the efficiency of our business, laying the foundation for becoming a world-class leader in the global insurance industry.

Mid- to Long-term Vision



2020 Roadmap to Global Top 10

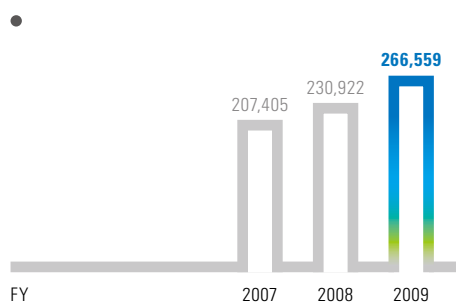
	Stage1 (~2012) Build strong basis for growth	Stage2 (~2015) Active growth	Stage3 (~2020) Global Top Level
Target	Sales: KRW 15.5 Tril. Domestic M/S 30% Ratio of overseas sales 3%	Sales: KRW 21 Tril. Maintain market dominance Ratio of overseas sales 15%	Sales: KRW 30 Tril. Maintain market dominance Ratio of overseas sales 20%
Market	Explore new domestic markets Strengthen R&D Successful penetration into overseas markets	Expand business in the Financial Services Area Commercialization of 5 Main R&D areas Active cross-border M&A	Provide a wide range of products (Insurance + Finance + Service) Apply R&D capabilities to overseas market Entry into developed market
Core Competency	Korea's best core competencies Create capabilities for global business	Apply core competencies to global businesses Reinforce global management capabilities	Achieve global top level of core competencies Completion of global management capabilities

Global Top 20
➤
Global Top 15
➤
Global Top 10

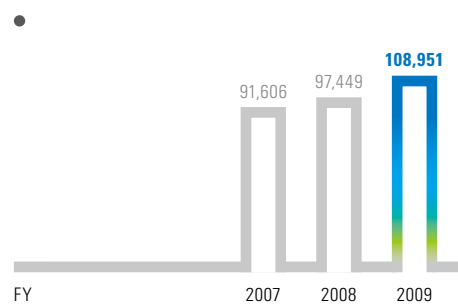
Economic Value Creation

New product standards for long-term insurance in 2009 nudged the life and non-life insurance industries into fiercer competition over market dominance, resulting in a more challenging year than ever. Despite the challenging environment, SF&MI realized 11.8% year-on-year growth in direct premiums written, to KRW10,895.1 billion and KRW524.5 billion in net income backed by stable asset management and management efficiency. Total assets stood at KRW26,655.9 billion, up KRW3,563.7 billion from the previous year. Adding KRW73.5 billion to the catastrophe reserve, we further solidified our financial stability.

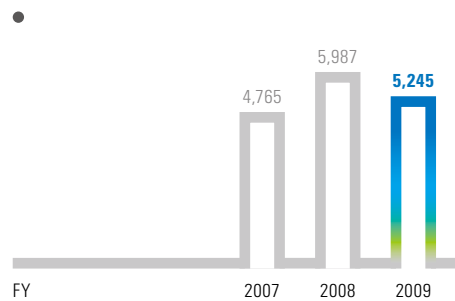
Total Assets (Unit: KRW 100 mil.)



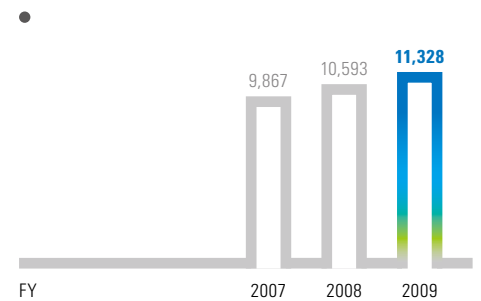
Direct Premiums Written (Unit: KRW 100 mil.)



Net Income (Unit: KRW 100 mil.)

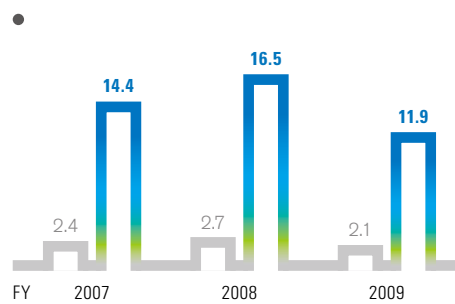


Catastrophe Reserve (Unit: KRW 100 mil.)

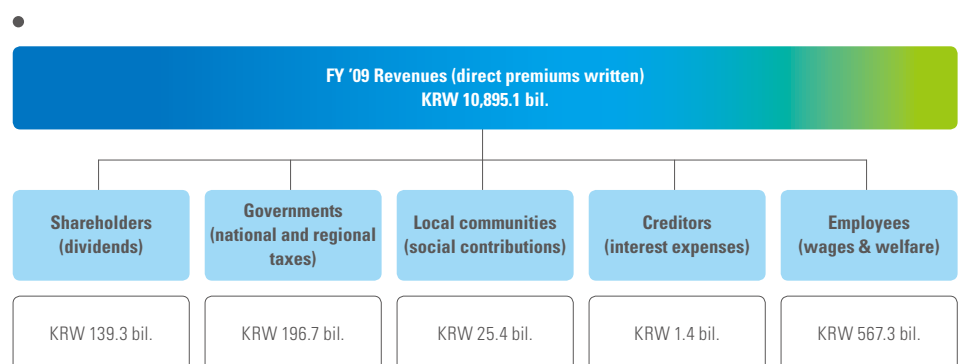


ROA/ ROE (Unit: %)

• ROA • ROE



Economic Value & Distribution

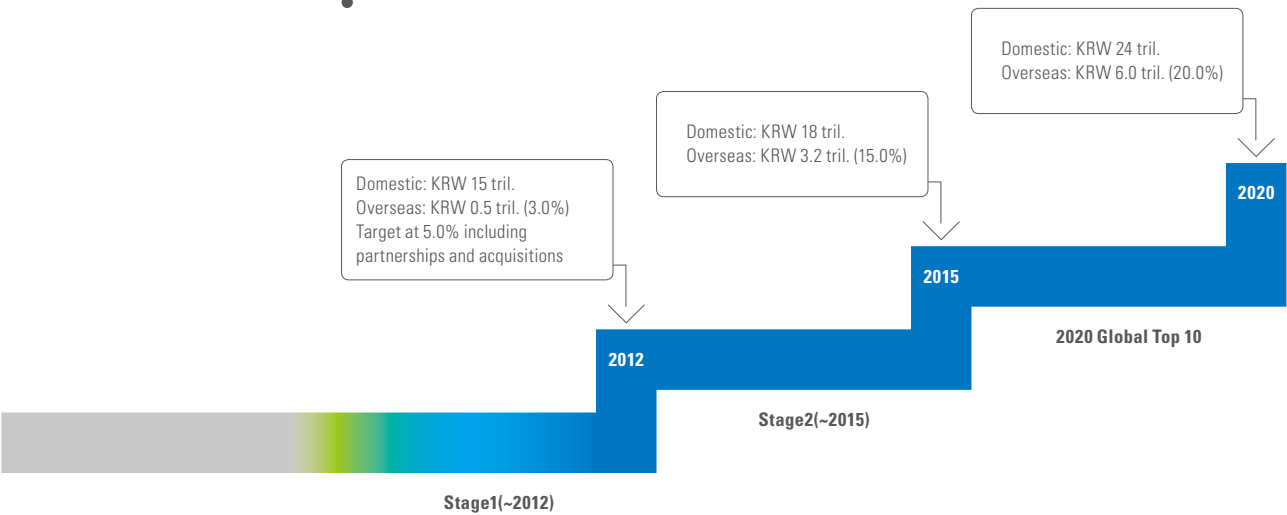


* Dividends are the figures from the business reports based on the previous fiscal year.

Mid- to long-term global market competitiveness requires prior occupation and expansion into overseas markets, which must be preceded by overseas expansion strategies customized to local market situations. Therefore, SF&MI has developed a mid- to long-term roadmap for overseas expansion to translate tasks into action in accordance with conditions in the target market, core business areas and required expertise. At the moment, SF&MI operates five branches, seven offices and three subsidiaries overseas, which realized a total of US\$106 million in revenue for FY2009, up 9.7% from FY2008.

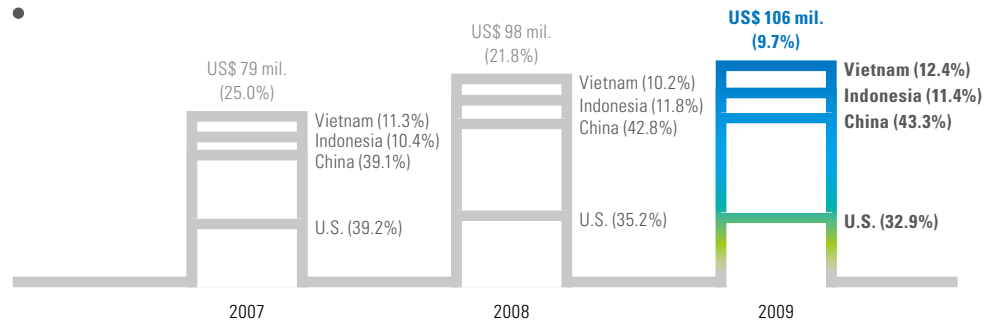
At the same time, we apply industry-leading methodologies to new investment portfolios to test feasibility.

Overseas Expansion Mid- to Long-term Roadmap



Stage1(~2012)			
Market	– Regional headquarters – Emerging Markets	– Emerging Markets	– Emerging Markets – Advanced markets
Core business areas	– Ethnic Korean commercial – Local Personal	– Local Personal	– Local Personal – Commercial/ Reinsurance
Directions	– Organic growth and small-sized M&As	– Expediting growth through mega deals based on accumulated information and experience	– Continuing inorganic growth
Required competencies	– Local business competencies in emerging markets – M&A competence (small-sized deals)	– M&A competence (Mega Deal) – Commercial/ Reinsurance Business competitiveness	– Global business competencies and local ethics competencies

Overseas Revenue Trends



Overseas Locations



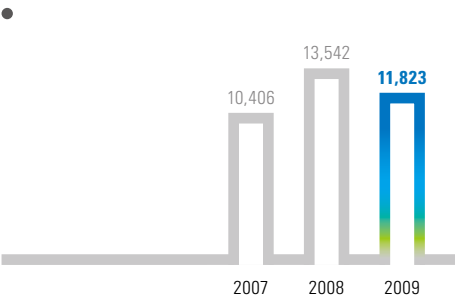
Share Ownerships

At the end of March, 2010 of our common stock were 49.10% held by foreign investors, 18.64% held by affiliated persons, 7.83% in treasury stocks, 18.71% held by domestic institutional investors and the remainder held by individual investors.

Shareholder returns

Category	2007	2008	2009
Dividend rate as of par value (%) (common share)	600	600	600
Dividend payout (KRW 100 mil.)	1,393	1,395	1,397
Dividend in cash per share (KRW)	3,000	3,000	3,000
Cash dividend payout ratio (%)	29.2	23.3	26.6
Dividend yield (year-closing price) (%)	1.5	1.8	1.6
Amortization	None	None	None

Earnings per share (EPS) (Unit: KRW)



Investor Relations (IR)

Investor Relations are evolving into interactive communication with investors as a means to enhance corporate value. SF&MI shares its sustainable corporate value including economic results with investors through a variety of consistent IR activities such as IR road shows and conferences in both domestic and overseas markets, including Hong Kong, Singapore, London, and New York.

2009 Major IR Activities



Activity	Details	Remarks
Road shows	IR road shows and conferences for domestic and international investors	Nine domestic and overseas sessions each
Conferences		
Earnings release	Quarterly earnings release	At the Seoul headquarters (quarterly)
1:1 meetings	Face-to-face meetings with investors	Total 453 meetings
Credit ratings	Annual credit ratings	A.M. Best, S&P (twice)

IFRS Preparation

In preparation for the new International Financial Reporting Standards (IFRS) slated for introduction in 2011, SF&MI has signed deals with an external consulting agency and a systems integration company, and organized an internal taskforce team (TFF) to build a system for the K-IFRS. Launched in November 2008, the project has completed the second stage and is in the process of completing the third stage. The TFF reports on the progress and major issues of the project to the top management on a regular basis. As a result, SF&MI has been working on the basic financial statements and analysis in accordance with the K-IFRS since March 31, 2010. We will finalize the quarterly, half-year and year-end financial information and disclosures for 2010 under the K-IFRS. Through our advanced adoption of the new international financial reporting standards, we will be able to reduce accounting costs while enhancing transparency and reliability in our management practices.

Our Stakeholders/ Employees

Samsung Fire & Marine Insurance seeks for “global financial pioneers with passion and ownership.” We encourage our employees to realize sustainable growth through various human resource development programs. At the same time, we comply with labor-management agreements such as collective bargaining on general working conditions and make continuous improvements in step with social and economic changes.



Keep your tires inflated to the recommended level.

- Tires inflated to only 60% of the manufacturer's recommended levels consume 10% more fuel. However, inflating a tire to 30% higher than the recommended level also causes 8% higher fuel consumption, resulting in increased emissions from the extra exhaust produced.



Turn the taps off when brushing your teeth.

- Do not leave taps running while you are brushing your teeth. If you turn them off every time you brush, it will save up to 10 liters of water. Think about how much water you can save if you brush your teeth twice a day or more.



Turn the lights off.

- Keeping the lights on in empty offices consumes the same amount of energy as is required to boil 1,000 cups of coffee.

Workforce

In compliance with labor regulations such as the Labor Standards Act and Gender Equality Act, SF&MI recruits and hires employees through reasonable procedures based on fairness. Employment and working conditions follow the stipulations through collective bargaining, service contracts and other labor-management agreements, and are continuously improved in step with social and economic changes.

As of 2009, a total of 5,220 dedicated employees, including 5,074 regular and 146 contracted employees, were passionately working for SF&MI, with an average length of service of 10.2 years. The separation rate stood at 2.4% with 122 persons, excluding contracted workers, departing the company in search of another career. Our initial payment for bachelors stood at 312% of the legal minimum wage without any gender-based discrimination in the payment scheme. Forced labor and child labor are strictly prohibited under the Labor Standards Act and ILO conventions.

Human Resources Development**Attracting and Retaining the Best and Brightest**

We have reinforced our interview methods for our interns and experienced hires to recruit the best and brightest, while developing a personnel management system specially suited to our overseas subsidiaries. In the future, we will further improve our recruitment system as it continues to recruit top talent and reinforce the personnel and organizational management at our overseas subsidiaries, further enhancing our corporate competitiveness.

HRD System

The ideal employee of SF&MI can be defined as a passionate global financial pioneer with a sense of ownership. Sharing and spreading our corporate culture, developing job specialists and fostering global leaders are the three core strategies of our human resources development (HRD) efforts. SF&MI assists its employees in cultivating global leading expertise and qualifications through various systematic HRD programs. In 2009, a total of KRW13.86 billion was spent by SF&MI on training Korean employees. Per capita training hours were 96.34 hours, up 10 hours from the previous year. We also offer customized training programs to locally-hired employees of our overseas subsidiaries.

HRD Programs | We operate various internal training programs to develop such ideally talented employees, instill the CEO's management philosophies and cultivate leadership and job competencies in our employees through offline/camp training, e-Learning, and correspondence book courses. While encouraging our employees to participate in various internal and external training programs, including seminars, forums and conferences, we also operate 30 internal online courses and 1,866 external online courses so self-motivated our employees could easily participate.

Training Model | Adopting a standard educational operating process that assists learners in building habits of thinking, studying and practicing, we help our employees to efficiently attain their academic goals. We are now working to rebuild digital training processes—paperless and wireless—encompassing the period before, during and after a training course. The new process will facilitate performance-oriented classes, camps, e-Learning and a correspondence book course training process.

Internal & External Online Training Programs

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MY VISION	A training portal system where learners can plan job competence-building programs and get support
e-Class	Before and after class training courses, it provides various educational materials supporting self-driven learning
Cyber Academy 21	A system that provides e-Learning and cyber test
e-Learning	Credul, e-Campus, Hunet, Ubion, Korea Insurance Institute, YBM Sisa, Alpaco, etc.
Knowledge Portal anywin	SF&MI's knowledge asset integrated management system

Competence-Building System | We operate HRM-linked competence-building programs to foster the practical development of new employees. The competence-building system is programmed with diagnoses of job competence, the development of skills in planning, activities to enhance competence in other job skill areas and evaluation components. The competence-building format of the program is designed in accordance with the required qualifications of each job function and class as assessed by team managers. Actual achievements in diverse competence-building activities in various areas and/or foreign language skills are reflected in the performance evaluation, motivating employees to work hard.

Fostering Core Talent | In addition to the internal programs, we operate a number of outside MBA courses at KAIST, Korea University and Sungkyunkwan University to help our employees obtain extensive knowledge and experience in accounting, marketing, HRM and operational management. Since 1993, the foreign country specialist program has graduated 160 people with specialized knowledge of 25 countries. We also send our employees overseas to give them opportunities to experience the advanced insurance business practices at RGA and Chubb. The Frontier and Challenge courses are six-month and 10-week external training courses commissioned at universities to help our employees cultivate their experience and expertise.

Internal Job Opening System | We operate an internal job opening program to satisfy employee need for career development through job rotation as well as, optimize the organizational structure and human resources operation. This system also reinforces job skills through the exchange of human resources between departments. Staff who are in their fifth year of service to senior staff in their fourteenth year of service are eligible for the job openings. To date 75 employees were selected for these distinctions in 2008 and 60 in 2009. While encouraging talented employees to volunteer for particular jobs, the program also relaxes the criteria for employees who have volunteered for field jobs to allow a 6-month grace period to settle into the new job and situation.

In a bid to create a challenging and cooperative work environment in the field, we upgraded the field incentive programs, enhancing the evaluation and compensation schemes. Ensuring consistency in evaluations of the performances of executives and branch managers, the evaluation scheme equally reflects process monitoring indicators and performance indicators. The field incentive override system balances out the performances of regional headquarters and branches. On the other hand, short-term innovation performances are rewarded with Spot Awards.

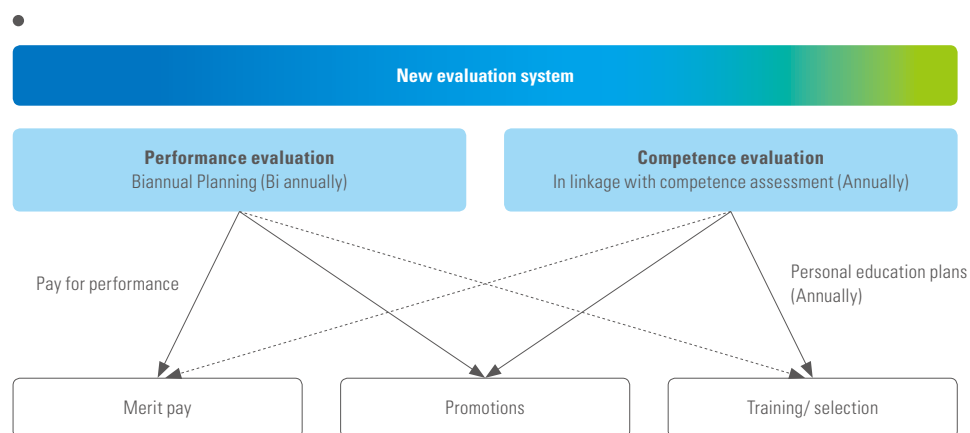
Performance Evaluation

We realigned the personnel management system to develop an optimal performance evaluation method that best reflects the core values of the organization. We developed and put in place a performance evaluation system that sets visions for growth in job expertise with upgraded rational performance-oriented practices. This system seeks to expand an enterprising performance-oriented culture within the company. Simultaneously considering the achievements and skills on an equal basis, the scheme ensures fair evaluation of performance and realizes the mutual development of individuals and the company.

Compensation Scheme

SF&MI adopted a system of payment based on merit as early as 1998, establishing a performance-based system of fair compensation. Under the principle of “good performance deserves fair compensation,” we guarantee industry-leading levels of compensation and a reward system for excellent performers. In addition, productivity incentives and profit sharing programs are in place to offer fair rewards for good performances.

Performance Evaluation Framework



Wage System

Competence-based pay	We employ a payment scheme that pays in accordance with the performances of the previous year and present competence level, evaluating the achievements and competence of individuals fairly and paying accordingly.
Productivity Incentive (PI)	In order to activate employee engagement in our endeavors towards the attainment of management goals, we return a portion of the profits from the efficient operation of management, human resource management, facilities and technologies to our employees in proportion to their assessed contribution to increases in productivity.
Profit Sharing (PS)	We apply a flexible profit-sharing scheme, rewarding those who outperform management goals by distributing collective incentives equally to all contributors.

Award Programs

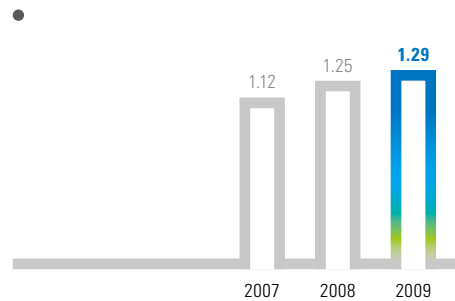
Category		Awards	Remarks
SF&MI Talent	Achievements	Certificate of commendation & KRW 2 million	
	CS practice		
	Innovation practice		
Anniversary of Founding (annual)	Grand prize	Medal & passenger car	Top-ranking achievements
	1st, 2nd, and 3rd Prizes	Medal & gold 1.32 ounce, overseas travel ticket	Outstanding performers in each category
	Category (achievements)	Medal & gold 0.92 ounce, overseas travel ticket	Outstanding performers
	Category (customer satisfaction)	Certificate of commendation & KRW 2 million	Excellent CS practice
	Category (others)	Certificate of commendation & KRW 500,000	Social contributions, GWP
	Long service	Different according to service years	10, 20, and 30 years

Employee Diversity

Employment Diversity

SF&MI advocates diversity in its workforce, striving to ensure a working environment where all employees can reach their full potential. In particular, we have eliminated discrimination recruitment and staffing processes, guaranteeing equal opportunities regardless of gender, color, race, nationality or disability. As of 2009, the employment of females holding university bachelor's degrees accounted for 12.8% of total new employment, a slight decrease from the previous year. Because of this, we will work to promote female employment in the future. Moreover, we actively promote the employment of persons with disabilities to guarantee equal opportunities for disabled people and to protect their rights as equal members of society. As a result, our employment figures for disabled persons has continued to grow over the past three years and reached 1.29% as of 2009.

Disability Employment rate (Unit: %)



Localization of Overseas Subsidiary Management and Localized HRM System

We have improved our overseas HRM system through field training for the personnel management staff in our overseas operations. Designing HRM systems customized to local business and labor conditions, we provide performance-based compensation based on fair evaluation to retain the best and brightest performers in local markets. We also select and reward excellent performers among locally-hired employees, enhancing the satisfaction of local employees.

Work-Life Balance

Welfare Benefits

SF&MI offers various welfare benefit programs and systems in the areas of health and housing. We also offer congratulations and condolences and promote leisure activities for our employees, so as to help them realize a better work/ life balance.

Welfare Benefits

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1. Housing Loans	– Low-interest financing for housing or leasing – Providing company houses
2. Medical Subsidies	– Subsidies to medical expenses of employees and their spouses
3. Casualty Insurance	– Coverage of accidents at work and life
4. Health Check-ups	– Regular general health check-ups for both employees and their spouses
5. Student Grants	– Student grants for kindergarten, elementary, middle, and high schools as well as university – School supply gifts for children entering elementary schools
6. Leisure Life	– Subsidies to resort, sport facilities and theme park fares
7. Congratulations & Condolences	– Congratulations and condolences fees and consulting programs – Wedding information, wedding hall within the company, wedding leaves and allowances, flowers
8. Long Service Benefits	– Employees who service more than 10 years are rewarded with long service leaves and allowances



Retirement Planning Program

We have adopted a retirement plan, under which employees invest their retirement funds and receive annuities or lump-sum payments to guarantee a steady income after retirement. We subscribed to the retirement plan with Samsung Life in 2006 and added Samsung Securities as the asset management agency in 2009. As of now, 45% of expected retirement allowances are administered by Samsung Life and 25% by Samsung Securities. Basically, we subscribed to the defined benefits (DB) program with Samsung Life and Samsung Securities with an option of changing to a defined contribution (DC) system. As of the end of July 2010, 138 employees had chosen DC, with the rest choosing the DB program.

Health & Safety

Employees are the most valuable assets of SF&MI. Therefore, we care about their health and safety and provide group insurance, maternity support programs, health check-ups, a leisure sport center, wellness clinics (workout gym), leaves for long service and various other leisure life supports. In addition, we provide regular monitoring of safety at the workplaces for the best possible working conditions.

Our health promotion programs include a “Drinking 119 Campaign” and “Diet Fund” and other campaigns. The “Drinking 119 Campaign” seeks to establish a sound drinking culture with behavioral guidelines to encourage employee participation. Designating Mondays, Wednesdays and Fridays as non-drinking days, we offer guidance on choosing alternate non-drinking activities such as cultural events, and encourage employees to schedule gatherings for drinking in advance for a safe and pleasant drinking culture. The “Diet Fund” program helps our employees to live a healthier life, encouraging subscribers to lose at least 5% of their weight upon subscription. In 2009, the program was upgraded with the addition of health-checkup options. As the check-ups offered through the Diet Fund can substitute for regular health check-ups, the fund encourages participants to check their progress regularly, thus motivating them to continue with the prescribed diet.

On the other hand, we conduct regular safety checks at all workplaces to ensure safe and healthy working conditions. Recently, old elevators were replaced with new and safer, energy-efficient ones. We also checked office buildings for asbestos and air quality.

We will continue to develop new campaigns for the promotion of safe and sound lifestyles, an enterprising and pleasant corporate culture and establish a regular check-up process to ensure safe workplaces for our employees.

Absence and Loss Days

In 2009, absentees numbered 54 persons with 2,011 days absent. Days lost due to sick leave, which are not counted as absences, stood at 82 days.

Employee Council

Dedicated to cooperative labor-management relations based on communication and trust, SF&MI operates an Employee Council as the regular communication channel for labor and management. Every quarter, the council convenes regular meetings to discuss wage and welfare programs. Visiting front-line departments to address grievances and other problems, they also collect employee complaints and suggestions for improvements via telephone and issue a newsletter called, "Communication." Major changes to management having a significant impact on employees require that employees be notified in advance with a minimum grace period. As such, the council strives for better workplaces and protects the human rights of employees.

Employee Council Activities



- Employee ombudsman (chairman/ secretary general standby)
 - Labor-Management Council Meetings (quarterly)
 - Wage and collective agreements
 - CEO-Employee Council Chairman monthly gatherings
 - CEO-Labor representatives' quarterly gatherings
 - Quarterly regular meetings at division level
 - Labor-management joint, working-level workshops (4~5 times per year)
 - Participating in the company's strategy meetings as employee representatives
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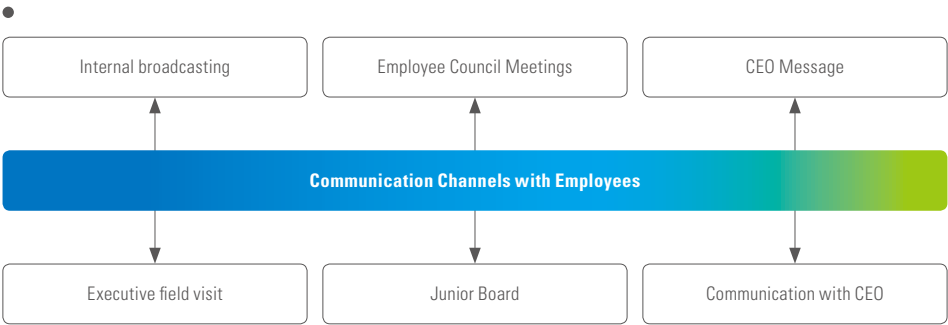
- CEO Supper Communication Meeting
- Executives' visit to the field



Communication with Employees

For cooperative labor-management relations, SF&MI operates various channels for active communication with employees to collect and reflect opinions from across the board in our management activities: Employee Council, CEO meetings, field visits by executives, and direct communication channels between the CEO and the employees—CEO Message and Junior Board. Furthermore, we announce major issues and share management information through internal broadcasts, while reinforcing communication channels with employees.

Communication Channels with Employees



CEO Message

The “CEO Message” site is a channel for communicating the company’s management policies and issues as well as messages regarding change and innovation. Employees can also send their opinions to the CEO through the site. The CEO leaves messages for important meetings and events, and the site posts photos of CEO activities and daily anecdotes. The opinion boards for employees are also another important media for communication between the CEO and employees.

Communication with the CEO

We promote various communication activities with the CEO to listen to the voices of employees and instill pride in our employees. The CEO meets directly with employees from across the board through “Visit the Field for Communication Meetings,” “Lunch and Supper Communication Meetings” and “SNS Communication.”

Executive Field Visit

Executives pay visits to front-line departments for active inter-department communications and in promotion of the Great Workplace (GWP) initiative. All departmental managers and executives are obliged to attend, with at least 90% of staff present, and the event is held at our cafeteria in the office building every second and fourth Tuesday. The number of participants decreased in 2009 to 795 from 1,087 in 2007 and 1,257 in 2008, because the fourth quarter events were canceled due to the pandemic H1N1 flu.

Junior Board

Realigning the communication channels between the CEO and employees, we launched the “Junior Board” to reinvigorate the organization with unreserved dialogue and discussions with the CEO. Comprised of one board leader (deputy manager) and four managers from each division, the board promotes continuous exchanges with front-line departments and suggests innovative ideas. Benchmarking the best practices of other industries, competitors or advanced countries, the board develops innovation tasks and missions for improvements.

New Launch of the Communication Department

In 2010, we launched the Communication Department in order to promote company-wide communications and ensure consistency in our external communication activities. The Communication Department plans and develops company-wide communication activities, constructs the infrastructure for managing communication activities and evaluates and monitors performances and takes intensive care to promote major communication channels internally and externally.

Internal Broadcasting

Weekly internal broadcasts share internal issues and management issues across the board every Wednesday.

Our Stakeholders/ Local Communities

As a responsible corporate citizen, Samsung Fire & Marine Insurance engages in a variety of social contribution programs and encourages our employees' volunteerism. Our strategic social contribution activities are implemented under the five themes of sports/ artistic support, environmental activities, community engagement programs, traffic safety and life-long security.



Share your cars.

- Commuting 10km by car generates approximately 4kg of CO₂. Car pooling can reduce CO₂ emissions.



Plant trees.

- If one million people plant one tree each, they can absorb 1.33 million tons of CO₂. If you plant ivies before summer, they will provide cool shade from the sun, reducing the use of air-conditioners.



Use eco-friendly products.

- Bleached coffee filters, paper towels and plasticized vinyl wraps not only add to environmental pollution during the production processes, but also when thrown away.

Social Contribution System

With an aim of realizing sustainable growth through social contributions, we have implemented strategic social contribution programs and reinforced employee volunteerism. Our strategic social contribution activities are focused on five areas of traffic, safety, environment, health and culture. We have set up a dedicated team called the New Culture Part to minimize the adverse effects and maximize the positive effects of our social contribution activities by tracking the impact of our social contribution activities on local communities. Moreover, our employees volunteer for various programs through the Samsung *anycar* Volunteer Corps as SF&MI's main volunteer organization. Our social contribution programs symbolize our efforts to communicate and grow along with local communities. Departing from one-time event donations, we are planning to engage in various long-term programs that capitalize on our resources and capabilities.

Five Social Contribution Directions

Traffic	Safety	Environment	Health	Culture
Traffic Culture Projects	Local community safety programs	Green Management, Eco-Friendly Projects	Disability Sponsorship Projects	1-Company 1-Cultural Assets Protection
<ul style="list-style-type: none"> – Accident prevention – Traffic safety training – Support of bereaved of traffic accidents 	<ul style="list-style-type: none"> – Safety checks on social welfare facilities and public facilities 	<ul style="list-style-type: none"> – Adopting environmental programs both domestic and international – Environmental volunteer corps 	<ul style="list-style-type: none"> – Guide dog projects – Raising public recognition of disability – Sponsoring prospective disabled persons 	<ul style="list-style-type: none"> – Gyeongbok Palace guard – Sponsorship to intangible cultural assets – Cultural volunteer corps

Social Contribution Activities

Sponsoring Sports & Artistic Activities

Supporting Amateur Sports Activities | SF&MI has sponsored amateur sports activities since 1997. Sponsoring the Korea Skating Union, the Korea Association of Athletics Federation (KAAF), and the Korea University Volleyball Federation, we contribute to the development of the amateur sports sector by discovering and patronizing prospective players and fostering the development of young aspiring athletes.

- Sponsoring the Korea Skating Union
- Sponsoring the Korea Association of Athletics Federation



•
Inside of the Samsung Transportation
Museum

••
SF&MI Cup World Baduk Masters
Championship



Dedicated to discovering and patronizing prospective speed skaters, we established the Youth Speed Skating Tournament with offerings of scholarships, overseas training expenses and payments for coaching staff. Since 1997, we have spent an annual average of KRW700 to 800 million, totaling KRW12.7 billion to date on the support of young athletes and the promotion of various sports. We take pride in the fact that we have contributed to the development of the Korean winter sports through these activities.

In the future, we will continue with these activities to raise public interest in amateur sports and develop a national sports culture through various programs.

Cultural and Artistic Patronage | SF&MI engages in various programs to communicate with customers and society through various artistic and cultural activities. This includes the 1-Company, 1-Cultural Asset Guard, Samsung Transportation Museum, SF&MI Cup World Baduk Masters Championship, and various other cultural events and sponsorships. In partnership with the Cultural Heritage Administration of Korea, our volunteers clean up the Gyeongbok Palace every month as part of our 1-Company, 1-Cultural Asset Guard campaign. Our sponsorship of intangible cultural assets includes sisterhood relationships with tightrope walkers and the subsidizing of expenses to teach the skill to new walkers. We contribute to the preservation of traditional Korean culture and arts through these activities.

The Samsung Transportation Museum is Korea's first automobile museum to popularize car culture and history. Opened in 1998, more than 300,000 viewers have visited the museum per year, totaling 2.3 million visitors to date. The museum collects, studies and preserves vehicles and related cultural artifacts, operates traffic safety training programs and offers a bicycle drivers' license test for children.

SF&MI has held a total of 15 World Baduk Masters Championships since 1996, contributing to popularizing baduk as a sport through this international championship tournament. SF&MI is at the forefront of the worldwide cultural exchange through baduk.

SF&MI also sponsors various cultural events and public events as part of its cultural and artistic patronage. These activities help expand the cultural and artistic base and contribute to the development of the cultural and artistic sectors of society.

Environmental Protection Activities

Urban Forest Project | SF&MI is planning to participate in an urban forest project initiated by the Korea Forest Service in 2009, as part of our commitment to give back and build solidarity with local communities and promote the happiness of local citizens. The urban forest project contributes to the reduction of CO₂ emissions and the mitigation of the urban heat island effect, ultimately mitigating climate change.

- 1-Company 1-Cultural Assets Guard activities
- • Scholarships to bereaved children of traffic accident victims



Supporting Local Communities & Underprivileged

Scholarship Programs | SF&MI has implemented a “Samsung *anycar* Scholarship Program” for the bereaved children of traffic accident victims and visually-challenged students. The “Samsung *anycar* Scholarship Program” provides underprivileged students with equal opportunities in education and support them to grow as good citizens.

Since 1993, we have also selected the bereaved children of traffic accident victims for sponsorship. In 2009, we selected 77 bereaved children of traffic accident victims and 25 bereaved children of policemen who were killed in the line of duty. In addition to such donations as scholarships, school uniforms and gifts for national festive days, our employees serve as mentors through our 1-Department 1-Bereaved Child mentor program. To date, a total of 336 bereaved children have benefited from the program.

Since 2004, we have provided scholarships to visually-challenged students who demonstrate excellence in academic achievement at the Seoul National School for the Blind, providing scholarships and educational equipment worth KRW10 million to 13 to 15 students every year.

SF&MI also holds a “SF&MI Junior Global Leaders Forum,” a project to foster future global leaders. The forum is programmed with tests of global leadership and a Junior Global Leaders Camp that cultivates a global mindset and English skills at the same time. Since 2009, a total of 25,600 elementary and middle school students from across the nation have participated in the program. As such, the program has established a Youth Leadership Program for aspiring global leaders to cultivate mindsets for global leadership.

Besides these programs, we participate in fundraising for universities and offer high school scholarships for students demonstrating excellence in academic achievement, contributing to the fostering of young talent and future leaders.

Sponsorship of bereaved children of traffic accident victims

Bereaved Children of Traffic Accident Victims	SF&MI sponsors financially-challenged minors whose parents have passed away or lost their means of support due to traffic accidents
Inviting the Bereaved Children of Traffic Accident Victims	SF&MI invites the bereaved children of traffic accident victims twice a year to cultural events and traffic safety training sessions, providing them with various cultural experience and to maintain exchanges with our employees. In addition, we also run an economics camp for bereaved children, cultivating a knowledge of home economics and financial independence in the minds of the children.
Health Voucher Program	SF&MI has raised funds every month from its socially responsible product, “Drivers’ Insurance for a Safer World,” since July, 2007. The fund is used to provide medical supplies to bereaved children of traffic accident victims in partnership with the Korean Pharmaceutical Association. Selected as a beneficiary of the program, the bereaved children are provided with medical supplies and first aid kits worth KRW300,000 per capita per year.



Supporting Financially-Excluded Brackets | SF&MI contributes to the Smile Microcredit Foundation, a financial program that provides those in low-income or low credit rating brackets who lack access to the major financial sector with unsecured and non-guaranteed loans as working capital for business start-ups.

1-Department, 1-Rural Community Sisterhood | SF&MI's departments have entered into sisterhood ties with rural communities across the nation as part of the company-wide "1-Department, 1-Rural Community" program. Through sisterhood ties with 105 farming villages across the nation, we purchase the specialties produced by our sister villages, operate farm stay programs for employees and their families, and visit the sister villages for workshops or sporting events. Every year, approximately 4,000 employees participate in quarterly volunteer services such as helping out on farms and supply commodities to local centers for senior citizens or community centers. Capitalizing on our business skills and knowledge, we sponsor campaigns for the prevention of traffic accidents and vehicle safety checks. When the Taean oil spill accident occurred, we created a sisterhood relationship with one of the damaged villages, Padori, and provided necessities. Through these programs and activities, we contribute to an increase in income in rural communities suffering from a loss of income due to the opening of markets to imported agricultural produce, in promotion of co-prosperity and a management focus on sharing.

Social Welfare Sponsorships | SF&MI has implemented an "Improving Living Conditions for the Disabled from Low-Income Families" program in partnership with a civic group for the disabled. SF&MI Risk Consultants (RCs) donate a portion of their sales commissions to improve housing conditions of the disabled. The program takes in funds raised from the "KRW500 Gift of Hope," in which our RCs contribute KRW500 per one long-term contract sold. These efforts have resulted in improvements to the 100th house in April, 2010. Based on our successful social contribution experiences, the RCs also run a Happy School Campaign in cooperation with our automobile insurance department. The funds raised will be used to offer programs for the prevention of accidents involving children in partnership with Safe Kids Korea. As a growing number of RCs volunteer to participate, we expect there to be more beneficiaries of the program as the program expands.

We have also sponsored Teenaged Breadwinners since 2004. In addition to providing 350 households with monthly living expenses, we invite the young families to our annual events. We plan to add more experiential and educational programs for these students to help them deal with a variety of common daily issues while helping to foster their dreams. In addition to these activities, we sponsor the operating expenses, supplies and events of various social welfare facilities including the Child Fund Korea, the Burum Call, the We First Movement and others. We will continue to fulfill our corporate social responsibilities through sponsorships of underprivileged people.



Social Contributions Expenses by Area (including donations) (unit: KRW mil.)

Category	2007	2008	2009
Traffic Safety	1,448	1,034	1,086
Culture & art	6,385	6,850	2,782
Social welfare	7,979	8,024	12,191
Medical & health	6,181	4,571	2,571
Sports promotion	5,592	2,512	3,103
Academic education	3,208	3,227	3,625
Environmental protection	13	8	14
Total	30,806	26,226	25,372

Employee Volunteerism

Samsung *anycar* Volunteer Corps

Committed to our corporate social responsibilities, SF&MI and our employees have been involved in various volunteer activities through the "Samsung *anycar* Volunteer Corps" since 1994.

Through our fifteen volunteer centers and 180 volunteer teams, approximately 5,000 employees, or 95% of our total workforce, provided an average of 4.2 services at 13.7 hours per volunteer in 2009. By adding volunteerism as one of the basic values of our ideal employee, we will continue to support volunteerism while sharing with the underprivileged across the nation.

Employees' Volunteer Hours Per Capita (unit: hours)

	2007	2008	2009 ¹⁾
Per capita average service hours	21.3	21.6	13.7

1) The volunteer activities decreased in 2009 as many events have been canceled to avoid the H1N1 flu pandemic.

- Blood Donation Campaign
- Volunteer Festival



Samsung *anycar* Volunteer Corps Vision & Goals

Vision

Establishing social infrastructure for becoming Global Top 10 by 2020

Goal

Instilling pride in our employees/ Enhancing corporate image



Employee Engagement Programs | The Samsung *anycar* Volunteer Corps invites employees to participate in various annual programs run by the corps. Every year, we hold a blood donation campaign in February, a volunteer festival in May and October, and a Caring Neighbors Campaign in December. We hold the blood donation campaign in February to fill a gap in the blood supply due to decreasing numbers of blood donors. Since 1996, a total of 12,483 people have donated their blood.

The Volunteer Festival is a company-wide event for our employees to share the joy of giving. Visiting sister institutions to provide volunteer services, we have implemented various program such as visiting sister villages, inviting bereaved children to local events, and offering the services of our family volunteers. The “Year-End Love Your Neighbor Campaign” is held to close the year with meaningful events, in support of young teenage breadwinners, charities for children, and sister villages in rural communities. These various employee engagement programs bring changes to local communities, while establishing sharing and volunteerism as integral parts of our corporate culture.

- Family Love Traffic Safety online Webzine
- Risk Management quarterly magazine



Youth Financial Education

SF&MI has organized a Youth Financial Training Network in conjunction with the Financial Supervisory Service and 18 other organizations. From November to December 2009, we offered financial classes to 100,000 students from elementary, middle and high schools across the nation. The classes were on the "Basic Principles of Economics," "Allowance Management," "Rational Consumption," and other basic economics courses as well as "Risk and Insurance," "Financial Company & Products" and other financial courses. In 2010, we will continue with financial educational programs in a bid to attract prospective customers and as part of our efforts to capitalize on our business skills to make social contributions. For an organized operation, we will designate a dedicated department and expand the participation of employees as instructors.

Winning Awards for Our Work with Local Communities

Our proactive social contribution programs have been widely recognized with the winning of several awards. We won the "Disabled Human Rights" award as given by the Korea Differently Abled Federation in 2006 and the Seoul Mayor's commendation in 2007. We also won the Prime Minister's commendation as awarded by the Korean Association for Volunteer Effort and were given the Minister's commendation by the We First Movement in 2009. We also received a number of appreciation plaques and commendations from a number of social welfare centers and groups for our social contribution activities.

Reinforcing Communications with Local Communities

Family Love Traffic Safety Online Webzine

The Samsung Traffic Safety Research Institute publishes the online webzine "Family Love Traffic Safety" to promote the safe driving habits of drivers and their families. As part of our endeavors to establish safe and courteous driving habits, we send the webzine via email to customers who have subscribed to automobile insurance. The Webzine provides useful traffic information on car use, safe driving tips, traffic regulations and accident case studies. The webzine serves as an important media for providing useful information to customers, contributing to a safe traffic culture and protecting the health and safety of our customers.

Risk Management Quarterly Publication

The Samsung Loss Control Center publishes a "Risk Management" magazine that reports on the results of research on climate change, green management, the risks of disasters and risk management. Since 1981, the quarterly publication has delivered the latest disaster prevention and insurance information, contributing to a culture of domestic safety and the prevention of accidents.

Communication with Related Organizations

SF&MI convenes regular meetings with related organizations such as Korea Safe Kids, the Seoul National School for the Blind and the We First Movement to discuss event planning, schedules and program planning. Through constant communications with related organizations, we reflect their opinions and maintain close relationships with them for the promotion of our systematic social contribution activities.

Our Stakeholders/ Partners

SF&MI operates a “Big Ocean” information database to enhance the efficiency of customer relations management and to provide step-by-step support to our Risk Consultants (RC). We have also built a portal system for claims partners and implemented various other win-win programs for our sales and claims partners, while reinforcing our communication channels with our associates. Through these efforts, we are contributing to society and fulfilling our responsibility as a trusted corporate citizen.



Walk to work.

- Leave your cars at home for just a couple of days a week. Walking, bicycling or using public transportation to work will save the environment and your health, too.



Use laptops rather than desktop computers.

- Using laptops rather than desktop computers can result in energy savings of up to 90%. If you turn off the computer screen at night, you can save the energy equivalent of six microwarable dinners.



Do not burn plastic or vinyl.

- Burning plastic or vinyl generates air pollutants such as CO₂ or chlorine, so please do not burn these types of materials.

Partner Support System

Sales RC Support System

SF&MI operates a “Big Ocean Information” as a database for efficient customer relations management and as a supporter of step-by-step content for Risk Consultants (RC) activities. The “Big Ocean Information” is a vast information database of various products, and a dedicated contents mall to support SF&MI’s RCs in their sales activities and customer relations management. It contains a variety of content ranging from guidelines on how to develop good relationships with customers, as well as useful materials, information and other data required for solicitation. In addition, our mobile portal service assists our RCs to make their work processes more efficient and to improve customer satisfaction. Inquiring about contract specifications and redesigning policy plans on the spot while meeting customers, the service enables speedy and efficient customer service, allowing our RCs to work more effectively, even while on the move.

Portal System for Claims Network

In February 2010, SF&MI constructed an online work process to further enhance efficiency in our partnerships with claims service providers. In establishing the portal system, we computerized the entire insurance claims service procedures, which suppliers can directly access to make inquiries and manage information and work processes on a real-time basis. The real-time management of claims payment procedures also reduces the number of accrued or delayed claims, leading to more efficient interactive communications and cooperative partnerships.

The number of members of the portal system is approximately 13,000—car repair shops, car component shops, glass stores, rent-a-car service providers, and others. We train our claims staff on how to use the system. The claims staff then transfers the knowledge to our suppliers, monitoring the usage rates by companies and teams and encouraging them to use the system.

- Big Ocean Information
- Portal System for Claims Service Providers





Win-Win Partnership Programs

Claims and Supports

SF&MI runs various win-win partnership programs for our sales agents and claims service providers. Departing from being mere business partnerships, we provide them with various welfare benefits such as childcare support, training programs and other support, motivating our partners with high quality sales and claims activities.

Sales agents

Day Care Centers | We opened the “SF&MI Dongtan Day Care Center” our first workplace childcare facility for employees and RCs in July, 2010. Shouldering the childcare burdens and maternity issues of our female employees, this facility will contribute to raising the economic participation rate of females and enable our talented female workers to have longer careers. In the future, we plan to open more workplace daycare centers at our regional headquarters across the nation.

Commissioned Training at Sungkyunkwan University | With an aim of fostering financial experts through financial and marketing training programs, SF&MI has commissioned MBA courses at Sungkyunkwan University for our Risk Consultants (RC). The curriculum includes financial and insurance market trends, marketing, finance, business strategies, leadership and general education. Since 2008, a total of 91 RCs have completed the course, building expertise as financial planning experts. These various educational programs have contributed to competence-building by individual RCs, while making SF&MI the Korean insurance company with the largest number of qualified certified financial planners.

RC Children’s’ Camps | Since 2001, we have operated camp programs for the elementary, middle and high school children of our RCs so that they can experience volunteerism and be educated at the same time. The RC Children’s Camp is programmed with visits to charities for the disabled, events for disabled people and other volunteer programs. The Youth Education Camp operates with a curriculum based on education in economics and the cultivation of leadership. SF&MI contributes to the cultivation of a sound sense of self in the children of our RCs through volunteer activities, and provides them with opportunities to obtain required knowledge through educational programs. The programs also cultivate and instill respect and pride in their parents and their parent’s jobs.



Claims Partners

[Excellent Car Repair Shops](#) | SF&MI selects excellent performers among car repair shop partners every year, providing them with PR services, an *anycar* Family Service and four additional services. Since 2008, we have sent the Best Supplier of the Year to an overseas training program in Japan for benchmarking.

[Excellent Car Repair Shop Management Best Practices Festival](#) | SF&MI held a “2009 Management Best Practices Festival” to discover and share best practices in repair technologies and services, helping our car workshop partners to enhance their core technologies and skills. The festival also helps build solidarity and win-win partnerships between the company and its suppliers, while motivating our suppliers to achieve better performance. Participating in the festival, representatives from excellent car workshops shared their best practices in customer satisfaction, improvements in productivity and improvements in working conditions. The top performers were rewarded with prizes and incentives after the presentations. Following the festival, we produced video clips as training materials and distributed them to share best practices.

[Reinforcing Communications with Partners](#)

SF&MI runs RC gatherings and claims partner gatherings. The meetings provide participants with opportunities to brainstorm so as to improve sales activities in our partners and the mid- to long-term development of the supply chain, while reinforcing our win-win relationships with our partners. The sessions also facilitate customer-oriented partners support programs and reiterate our dedication to ethical management.

As RCs and claims partners constitute the fundamental players in our management activities, we will continue to expand our communications with our partners, while contributing to the development of society as a respected and trusted corporate citizen.

05

SAMSUNG FIRE & MARINE INSURANCE



Performance

Category	Details	2007	2008	2009
Economic Performance				
Economy	Direct premiums written (KRW 100 mil.)	91,606	97,449	108,951
	Sales of eco-friendly insurance products (KRW 100 mil.)	0.7	29.8	32.9
	Sales of socially responsible insurance products (KRW 100 mil.)	-	4.9	3.5
	Net income (KRW 100 mil.)	4,765	5,987	5,245
	Total assets (KRW 100 mil.)	207,405	230,922	266,559
	Dividend (KRW 100 mil.)	1,393	1,395	1,397
Stability	Catastrophe reserves (KRW 100 mil.)	9,867	10,593	11,328
	Cash reserve ratio (%)	394.6	447.7	490.0
Taxation	National tax (KRW 100 mil.)	1,947	2,500	1,768
	Local tax (KRW 100 mil.)	203	261	199

* Economic performance figures are based on the fiscal year term.

Environmental Performance				
Water use	Usage ¹⁾ (Tons)	273,186	266,567	300,403
Greenhouse gas emissions	Emissions (electricity) (Tons)	16,099	16,311	17,280
	Emissions (fossil fuel) (Tons)	3,107	3,143	3,226
	Emissions (vehicles) ²⁾ (Tons)	205	181	199
Wastes	Generation (Tons)	1,351	1,287	1,246
	Recycling rate (%)	45	45	37
Paper use	Copy paper purchase (Tons)	716	970	1,228
	Copy paper purchase amount (KRW)	728,132,812	2,032,427,100	1,941,396,050
	Print paper purchase (EA)	4,000	3,950	3,950
	Print paper purchase amount (KRW)	2,530,000,000	3,188,000,000	3,465,000,000
Toners and inks	Purchase of choice goods (EA)	81,339	90,559	84,719
	Purchase amount of choice goods (KRW)	7,017,515,920	7,014,692,450	8,512,198,884
	Purchase of recycled goods (EA)	-	3,897	-
	Purchase amount of recycled goods (KRW)	-	318,774,600	-
Environmental preservation	Social contributions expenses (KRW 100 mil.)	13	8	14

* The environmental data covers the main office, 28 branch offices nationwide (Garden Tower, Masan, Honam, Ulsan, Yeoksam, Busan Choryang, Daejeon, Daegu Seomunro, Suwon, Itaewon, Jeju, Chuncheon, Busan Yeonsan, Incheon, Suncheon, Seongnam, Samsung Building, Wonju, Hapjeong, Suyu, Jeonju, Daegu Beomeo, Bucheon, Seocho, Cheongryangri, Ilsan, Ansan, and Gwangju Sangmu), Yuseong Training Center and the Volleyball Training Camp.

Social Performance				
Customers	Accidents with customer information security (Cases)	None	None	None
	Customer Satisfaction Index (CSI) (Points)	78.2	77.3	77.0
	National Customer Satisfaction Index (NCSI) (Points)	74	72	72
Employees	Workforce (Persons)	5,344	5,433	5,220
	Per capita training expenses (KRW 1,000)	1,374	1,290	1,387
	Per capita training hours (Hours)	103.68	86.95	96.34
	Separation rate ³⁾ (%)	4.0	3.1	2.4
	Absence/ loss days ⁴⁾ (Days)	1,233/ 150	1,724/ 180	2,011/ 82
	Disability employment rate (%)	1.12	1.25	1.29
Local	Social contribution expenses (including donations) (KRW mil.)	30,806	26,226	25,372
	Employees volunteer hours (per capita) (Hours)	21.3	21.6	13.7
	Accumulate number of participants to social contributions (Persons)	35,160	37,718	21,744
Investors	No. of IR meetings (Cases)	503	475	453

1) Garden Tower and Itaewon branches do not have water use in terms of the 31 categories.

2) Vehicles include the fire insurance vehicles and leased vehicles excluding those possessed by loss adjustment service providers and *anycar* service.

3) The workforce includes both regular and contracted employees, but separation rate counts only regular employees.

4) Sick leave does count as absence days, but loss days.

Balance Sheets (Unit: KRW mil.)

	2007	2008	2009
Assets			
I. Cash and cash equivalents	566,337	595,980	303,237
II. Securities	11,917,353	13,337,203	15,727,378
III. Loans	4,120,042	4,720,338	5,610,366
IV. Property and equipment	1,093,666	1,142,347	1,141,559
V. Other assets	2,052,751	2,248,933	2,754,767
VI. Separate account assets	990,397	1,047,358	1,118,579
Total Assets	20,740,546	23,092,159	26,655,886
Liabilities			
I. Policy reserves	14,239,827	15,747,731	18,085,463
II. Catastrophe reserves	986,676	1,059,285	1,132,825
III. Borrowings	-	25,500	36,700
IV. Other liabilities	1,094,330	1,332,287	1,337,206
V. Separate account liabilities	1,004,141	1,064,385	1,123,364
Total Liabilities	17,324,974	19,229,188	21,715,558
Shareholders' Equity			
I. Capital stock	26,473	26,473	26,473
II. Capital surplus	733,749	734,867	736,626
III. Capital adjustments	(93,039)	(92,708)	(92,496)
IV. Accumulated other comprehensive income	950,596	937,168	1,627,537
V. Retained earnings	1,797,792	2,257,171	2,642,188
Total Shareholders' Equity	3,415,571	3,862,971	4,940,328
Total Liabilities and Shareholders' Equity	20,740,546	23,092,159	26,655,886

Statements of Income (Unit: KRW mil.)

	2007	2008	2009
I. Operating revenues	11,003,690	11,870,731	13,262,264
II. Operating expenses	10,320,463	11,067,606	12,595,481
III. Operating income	683,227	803,125	666,783
IV. Non-operating income	24,127	42,137	40,198
V. Non-operating expense	46,989	24,457	18,776
VI. Income before income tax	660,365	820,805	688,205
VII. Income tax expense	183,875	222,097	163,695
VIII. Net income	476,490	598,708	524,510

Statements of Cash Flows (Unit: KRW mil.)

	2007	2008	2009
I. Cash flows from operating activities	721,360	246,979	(104,859)
II. Cash flows from investing activities	(228,442)	(173,576)	162,426
III. Cash flows from financing activities	(334,385)	(111,956)	(125,760)
IV. Net increase (decrease) in cash and cash equivalents (I+II+III)	158,533	(38,553)	(68,193)
V. Cash and due from banks, beginning of year	98,603	257,136	218,583
VI. Cash and due from banks, end of year	257,136	218,583	150,390

06

SAMSUNG FIRE & MARINE INSURANCE



Appendix

Third Party's Assurance Statement

To the Readers of the Sustainability Report of Samsung Fire and Marine Insurance

1. Introduction

This auditor was asked by Samsung Fire and Marine Insurance Co. (SF&MI) to independently review information specified in its 2009 Sustainability Report. The management of SF&MI is responsible for the production of this sustainability report. The responsibility of the auditor is to express his or her opinions on whether this report is produced in conformity with the GRI G3 Guidelines and GRI Financial Services Sector Supplement (FSSS).

2. The Scope of Assurance

The sustainability report of SF&MI contains the company's efforts at sustainability management and performances of the activities of core issues for stakeholders in three areas: the economy, society and the environment. This auditor reviewed the following:

- Whether financial data was properly extracted from SF&MI's 2007, 2008 and 2009 financial reports or not, and
- Whether information in the social and environmental sectors is correct and unbiased and data management systems are reliably managed or not.

3. Assurance Criteria

The auditor reviewed the report in accordance with Chung-Ang University's Assurance Protocol for Sustainability Reporting (CAU-APSR).

- The CAU-APSR is based on the following:
 - Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 3.0
 - AA1000AS (2008) Assurance Standard from AccountAbility

4. Independence

Except for the third-party assurance report, the auditor has no relationship for a commercial purpose with SF&MI.

5. Major Assurance Procedures

The auditor carried out assurance activities by the following steps.

– Phase I:

The auditor conducted an overall evaluation by drawing up an assurance plan with the management of SF&MI, reviewing the draft and searching various sources.

– Phase II:

The auditor interviewed the management and key staff members of SF&MI at the headquarters and together, the auditor and company personnel checked the draft. At the same time, the auditor carried out an evaluation of the quality of the data management system.

– Phase III:

The auditor put results of reviews and analyses together, wrote the content of analyses and discussions in documents and in the final step, produced the assurance report.

6. Conclusion

The auditor has judged that the report strictly follows the GRI G3 Guidelines and GRI Financial Services Sector Supplement (FSSS) and does not have any significant errors or biases. The following are evaluations in accordance with detailed assurance principles of the CAU-APSR.

- Materiality: The auditor has found that the demands of stakeholders are properly satisfied by the 17 key performance indicators and the five core issues selected through the materiality evaluation.
- Completeness: In terms of the scope, boundaries and period of the report, the report does not omit important information and deals with diverse information in a balanced manner.
- Neutrality: This report provides neutral and unbiased information by minimizing the room for error, distortions or biases about the selection and report of information related to performances of sustainable management.
- Reliability: The accuracy and comparability of information in the report is well maintained. The quality of information collection, recording and delivery systems stands at a reliable level.
- Responsiveness: The level of information disclosure of the report and the company's explanations of policies, strategies and plans are judged to be thorough enough for the readers to evaluate the company's capabilities to deal with sustainability issues and efforts at sustainability.
- Stakeholder inclusiveness: The company selected stakeholders and encouraged them to take part via effective and systematic methods. Stakeholders' demands are appropriately fed back to corporate strategies and goals.

7. Recommendations

The auditor suggested the following recommendations after carrying out the above-mentioned assurance procedures. The company has decided to accept the recommendations.

In order to elevate its sustainable management capabilities to a global top-ten level by 2020 and reflect them in its corporate value, SF&MI should realize practical business performances by combining and balancing sustainable management strategies with existing mid- to long-term management strategies and reflecting the results in related systems.

September, 2010

Jang Ji-in,
Director, Accounting Research Institute, Chung-Ang University,
Chairman of CDP-Korea, Ph.D. Business Administration



GRI Index

GRI		Pages
Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the company (e.g. CEO, chair, or equivalent senior position) on the importance of sustainability to the organization and its strategy	10-11
1.2	Organization and sustainability: description of key impacts, risks and opportunities	10-11, 24-26, 31-32
Organizational Profile		
2.1	Name of the organization	14
2.2	Primary brands, products and/or services	15-16
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	14, 16
2.4	Location of organizations' headquarters	14
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	14, 84-85
2.6	Nature of ownership and legal form	14
2.7	Target markets	14, 84-85
2.8	Scale of the reporting organization	14, 84
2.9	Significant changes during the reporting period regarding size, structure or ownership	14, 84
2.10	Awards received in the reporting period	front cover foldout
Report Parameters		
3.1	Reporting period	front cover foldout
3.2	Date of the latest report	first issue
3.3	Reporting cycle	front cover foldout
3.4	Contact point for questions on report	front cover foldout
3.5	Process for defining report contents	front cover foldout
3.6	Reporting scope	front cover foldout
3.7	State any specific limitations on the scope of the report	front cover foldout
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations	front cover foldout
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the complication of the indicators and other information in the report	front cover foldout
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	first issue
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	first issue
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GRI		Pages
Governance, Commitment and Engagement		
4.1	Governance structure of the organization (including the subcommittees of the board of directors that are in charge of strategy-building and company-wide supervision)	17-18
4.2	Indication of whether the Chair of the highest governance body is also an executive officer	17
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	17
4.4	Mechanisms enabling shareholders and employees to provide recommendations or direction to the highest governance body	19
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4.6	Processes for the highest governance body to prevent conflicts of interest	18
4.7	Process for determining the qualifications and expertise of the members of the highest governance body to guide the organization's strategy on economic, environmental, and social topics	17
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4.10	Process for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	17
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4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses	33, 125
4.13	Membership in associations (such as industry association) and/or national/ international advocacy organizations	125
4.14	List of stakeholder groups engaged by the organization	37
4.15	Basis for identification and selection of stakeholders	34-36
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	35, 37
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns	38

GRI		SF&MI Application	Pages
Economic Performance Indicators			
Disclosure on Management Approach			39
EC1	Direct economic value generated and distributed	Economic values that SF&MI created and distributed, including profits, expenses, and revenues as well as those from overseas operations	82-84, 111-112
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Climate change risk management Green growth investments and engagement in financial aids	61
EC3	Coverage of the organization's defined benefit plan obligations	Employee welfare benefits and retirement plan operation performances and plans	93-94
EC4	Significant financial assistance received from government	Not applicable (No financial assistance received)	-
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Initial pay against legal minimum wage (basic rate excluding performance incentives)	89
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Not applicable (No spending on locally-based suppliers)	-
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Contribution to the development of local economies by hiring local residents	93
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Financial social contributions relevant to its business (economics classes, etc.)	105
EC9	Understanding and describing significant indirect economic impacts including the extent of impacts	Development of products that contribute to increased efficiency in the capital market operation, environment and society (financial aids to the underprivileged such as low-income brackets and the disabled)	62, 76, 102
Environment Performance Indicators			
Disclosure on Management Approach			40
EN1	Materials used by weight or volume	Total amount of papers/ toners and inks used	111
EN2	Percentage of materials used that are recycled input materials	Total amount of toners and inks used	111
EN3	Direct energy consumption by primary energy source	Total amount of energy sources heating office buildings such as oils, coal and natural gas	60, 111
EN4	Indirect energy consumption by primary energy source	Total amount of energy consumption (electricity) and reduction plan	60, 111
EN5	Energy saved due to conservation and efficiency improvements	Energy saved due to company-wide energy conservation initiatives and the resultant GHG emission reduction	60
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services and reductions in energy requirements as a result of these initiatives	Not applicable. However, renewable energy-power house is in consideration for future construction of office buildings	-
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Energy saved due to company-wide energy conservation initiatives and the resultant GHG emission reduction	59-60
EN8	Total water withdrawal by source	Water use and reduction plan	111
EN9	Water sources significantly affected by withdrawal of water	Not applicable (water supply)	-
EN10	Percentage and total volume of water recycled and reused	Not applicable	-
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas of high biodiversity value outside protected area	Not applicable (no ecological protection area within the business premises)	-
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not applicable(no ecological protection area within the business premises)	-
EN13	Habitats protected or restored	Not applicable(no ecological protection area within the business premises)	-
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Not applicable(no ecological protection area within the business premises)	-
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not applicable(no ecological protection area within the business premises)	-
EN16	Total direct and indirect greenhouse gas emissions by weight	Total amount of GHG emissions from usual business activities and reduction plan	60, 111
EN17	Other relevant indirect greenhouse gas emissions by weight	Other indirect GHG emissions and reduction plan (indirect affect from the transportation such as business trips and commute by employees)	60, 111
EN18	Initiatives to reduced greenhouse gas emissions and reductions achieved	Not applicable. However, renewable energy-power house is in consideration for future construction of office buildings	-
EN19	Emissions of ozone-depleting substances by weight	Not applicable (no emission of ozone-depleting substances)	-
EN20	NOx, SOx and other significant air emissions by type and weight	Not applicable (no emission of NOx, SOx)	-

GRI		SF&MI Application	Pages
Environment Performance Indicators			
EN21	Total weight of waste discharge by quality and destination	Not applicable (integrated sewage treatment)	-
EN22	Total weight of waste by type and disposal method	Total weight of food waste and general waste and reduction efforts	111
EN23	Total number and volume of significant spills	Not applicable (All waste generated treated in a lawful manner)	-
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally	Not applicable (no such incident)	-
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Not applicable (no ecological protection area within the business premises)	-
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	Efforts to enhance the energy and resource efficiency through IT system including digital policy document service	59
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not applicable (no package material use because of financial sector characteristic)	-
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	The amount of fines and total number of non-monetary sanctions for violation of environmental laws and regulations (no such violation)	-
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	Total amount of indirect emissions of GHG and reduction plan (indirect affect from transportation such as business trips or commute by employees)	59-69, 111
EN30	Total environmental protection expenditures and investments by type	Environmental investments such as environmental protection activities and green purchases	103, 111
Labor Practice & Decent Work Performance Indicators			
Disclosure on Management Approach			40
LA1	Total workforce by employment type, employment contract and region	Employment type, employment contract and workforce	89, 111
LA2	Total number and rate of employee turnover by age group, gender and region	Number of retirees and separation rate (by gender, age and region)	89, 111
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Benefits provided to regular employees except for the contract-based employees	93
LA4	Percentage of employees covered by collective bargaining agreements	Membership rate to the Employee Council (100% subscription) and major activities	95
LA5	Minimum notice period (s) regarding significant operational changes including whether it is specified in collective agreements	Provisions of advance notice and minimum notice period of significant operational changes	95
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Composition of employees that represent the Employee Council	95
LA7	Rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities by region	Injury rate, absence rate and disease rate	94, 111
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Health management program for employees and major performances	94
LA9	Health and safety topics covered in formal agreements with trade unions	Major agreements with the Employee Council on the safety and health at workplace	95
LA10	Average hours of training per year per employee by employee category	Per capita annual average training hours by job classes and job positions	89, 111
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Job training programs for skills management and life cycle planning support and training program for retiree-to-be	94
LA12	Percentage of employees receiving regular performance and career development reviews	Percentage of employees subject to performance evaluation and career development (percentage of regular employees)	91
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	Percentage of disabled and female employment and percentage of female managers (gender equality in employment)	92, 111
LA14	Ratio of basic salary of men to women by employee category	Ratio of basic salary of men to women by job class (gender equality in employment)	89

GRI		SF&MI Application	Pages
Human Rights Performance Indicators			
Disclosure on Management Approach			40
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Declaration of commitment to the Compliance Program	27
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Establishment of ethical management practices	24
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Sexual harassment prevention training and human rights protection training (percentage of employees)	26, 57
HR4	Total number of incidents of discrimination and actions taken	No such incident	-
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	No cases of labor disputes, labor issues are coordinated by the Rank-and-File Members Council	-
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	Prohibition on child labor (hiring ages above 19)	89
HR7	Operations that are likely to have forced labor and measures taken	Prohibition of forced labor	89
HR8	Percentage of security personnel trained in the organizations policies or procedures concerning aspects of human rights that are relevant to operations	Policies and education to prevent sexual harassment and customer information security	57, 79
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not applicable	-
Society Performance Indicators			
Disclosure on Management Approach			40
S01	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	Social contribution scheme, monitoring the impact of social contribution activities by the New Culture Part Performances and plans of social contribution activities for local communities (urban forest project, traffic culture project, disabled support programs, sisterhood ties with rural areas, sponsorship to charities and other social contribution activities)	99
S02	Percentage and total number of business units analyzed for risks related to corruption	Internal Trading Committee for the management of compliance risk arising from unjust internal trading and corruption screening Total number of dismissal, punishment and other measures on corruptions or the type of cases implying the need for anti-corruption policies	26-27
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Performances and contents of business ethics training (percentage of employees)	26
S04	Actions taken in response to incidents of corruption	Total number of dismissal, punishment and other measures on corruptions or the type of cases implying the need for anti-corruption policies	26-27
S05	Public policy positions and participation in public policy development and lobbying	Participation in the government-driven public policies for capital market stimulation and green growth	61
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Not applicable (prohibited by internal bylaws)	-
S07	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	Warnings or measures by the Fair Trade Commissions for anti-competitive behavior or anti-trust and monopoly practices	27
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Breakdown of significant fines due to violation of laws and regulations in the course of normal business activities	27

GRI		SF&MI Application	Pages
Product Responsibility Performance Indicators			
Disclosure on Management Approach			40
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	Customer Satisfaction Survey Results	69-70
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	Not applicable	69-70
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	Management disclosure and efforts to provide business portfolio information	16, 62, 76-77
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Compliance with the three basic principles (detailed explanation of the policy subscriptions, signature on the subscription application form and delivery of a copy of the subscription form to the customer) Complete selling rate of insurance products	73
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Customer Satisfaction Survey Results	69-70
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Compliance with the Fair Trading Act and operation of internal bylaws	27
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	Compliance with the Fair Trading Act and operation of internal bylaws	27
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Breaches of customer privacy and losses of customer data, fine amount	79
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Breaches of customer privacy and losses of customer data, fine amount	79
Financial Service Environmental Performance Indicators			
FS1	Policies with specific environmental and social components applied to business lines.	Environmental and social policies on insurance services	30
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Environmental and social risk assessment and review procedures on insurance services	20-23, 61, 74-75
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Monitoring of implementation or compliance of customers' social or environmental demands in the course of contracting or transaction	62
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Employee training courses to awaken them to the environmental and social risks and opportunities	26, 61, 72-73
FS5	Interactions with clients/ investees/ business partners regarding environmental and social risks and opportunities.	The impact of environmental risk management and environmental product developments on the customers, partners and society (environmental risk management and environmental product development > green industry sponsorship, promotion of customers' eco-friendly lifestyle > invigoration of green finance)	62
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/ large) and by sector.	Percentage of portfolio by core business	16, 62, 77
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Sales of socially responsible products and services and their percentage of total sales of SF&MI products and services	77
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Sales of environmental products and services and their percentage of total sales of SF&MI products and services	62
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Ethical risk management during the preliminary test of product development Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	21
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	No companies held in SF&MI's investment portfolios with which SF&MI has interacted on environmental or social issues	-
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Percentage of assets subject to environmental assessment	19
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Voting policies applied to environmental or social issues for shares over which SF&MI holds the right to vote shares or advises on voting	17-18
FS13	Access points in low-populated or economically disadvantaged areas by type	Financial service activities for the underpopulated or economically underprivileged areas	102
FS14	Initiatives to improve access to financial services for disadvantaged people	Financial service initiatives for underprivileged including low-income brackets and the disabled	102
FS15	Policies for the fair design and sale of financial products and services	Fair trade policies on financial products including the rate-fixing	27
FS16	Initiatives to enhance financial literacy by type of beneficiary	Activities to help customers understand economics and financial products (Youth Finance Class, etc.)	105

Glossary



Term	Definition	Page
Customer Panel Program	A system to reflect customer ideas in strategy-building. SF&MI was the first Korean non-life insurer to adopt this program as part of its customer engagement management that pursues professionalism and differentiation by listening to the voice of customers.	77
Complete selling	Compliance with the three basic principles of contracting procedures: signature on the subscription application form; delivery of a copy of the subscription form to the customer; and detailed explanation of the policy description	73
SAA (Strategic Asset Allocation)	Decision-making on the asset make-up of the long-term funds in order to attain the investment goal	23
BCM (Business Continuity Management)	A risk management system to ensure business as usual in general policies and systems of the company in the event of discontinuity in the business activities due to unpredicted disaster or accident with the key business functions instantly resuming operations	23
CDP (Carbon Disclosure Project)	A global project of global financial institutions and investors to deal with climate change. The project surveys and discloses the greenhouse gas emissions of major corporations.	59
CoP (Community of Practice)	A group of people who share an interest, a craft, and/or a profession. SF&MI supports and promotes the CoP activities with various programs including the career development programs. These voluntary studying groups discover and propagate best practices.	51
DJSI (Dow Jones Sustainability Indexes)	Sustainability indexes that was developed by the global sustainability management evaluation agency SAM and financial information provider Dow Jones. Assessing the sustainability of companies by their corporate governance, social contributions and others, the indexes select best performers and release the results by regions, i.e. DJSI World, DJSI Asia Pacific, DJSI Korea, etc.	32
ERISS Sustainability Index	A kind of sustainability management index that the ERISS (Economic Research Institute for Sustainable Society) assesses Korean companies' sustainability management performances against the "quantification indicators" and "reputation indicators"	32
KRX SRI Index (Korea Exchange Socially Responsible Investment Index)	Korea's first Socially Responsible Investment (SRI) Index that selects and lists 70 companies with outstanding performances in corporate social responsibilities based on the evaluation by Korea Corporate Governance Service (KCGS)	32
UN Global Compact	A global initiative for ethical and environmental practices that was first initiated by the former UN Secretary General Kofi Anan at the World Economic Forum in Davos, in 1999 and launched at the UN Global Headquarters in New York in July 2000	33
UNEP FI	A global initiative under the United Nations that identify and develop linkages between sustainability and financial performance.	33
VOC (Voice of Customers)	Inquiries, complaints and suggestions that customers make on business activities	74



For More Information



Your valuable opinions and suggestions are instrumental in improving our future reports.

Opinions or suggestions regarding the Samsung Fire & Marine Insurance Sustainability Report 2009-2010 shall be referred to:

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Reader's Opinion



1. Which of the following stakeholder groups do you fall into?

- | | | |
|------------------------------------|---|---|
| <input type="radio"/> Partners | <input type="radio"/> Employees | <input type="radio"/> Local residents |
| <input type="radio"/> Civic groups | <input type="radio"/> Industrial insiders | <input type="radio"/> Academia |
| <input type="radio"/> Governments | <input type="radio"/> Media | <input type="radio"/> Other: () |

2. How did you get to know about this report?

- | | | |
|--------------------------------------|---|---|
| <input type="radio"/> SF&MI website | <input type="radio"/> Seminars-lectures-expos | <input type="radio"/> Newspapers-magazines |
| <input type="radio"/> Other websites | <input type="radio"/> SF&MI employees | <input type="radio"/> Other: () |

3. Which section do you find is most interesting?

- | | | |
|---|--|---|
| <input type="radio"/> Corporate Profile | <input type="radio"/> Sustainability Management at SF&MI | <input type="radio"/> Core Issues |
| <input type="radio"/> Our Stakeholders | <input type="radio"/> Performance | <input type="radio"/> Other: () |

4. Which section do you think requires improvement in future reports?

- | | | |
|---|--|---|
| <input type="radio"/> Corporate Profile | <input type="radio"/> Sustainability Management at SF&MI | <input type="radio"/> Core Issues |
| <input type="radio"/> Our Stakeholders | <input type="radio"/> Performance | <input type="radio"/> Other: () |

5. Please feel free to make suggestions as to how we can improve our future reports.

Thank you.

SAMSUNG FIRE & MARINE INSURANCE



Sustainability Report 2009–2010

Memberships & Associations



Category	Organization	Objectives	Affiliation
Economy	Korea Financial Law Association	Research on financial laws	2005
	The Federation of Korean Industries	Information exchange and network-building among Korean companies	1984
	Korea Economic Research Institute	Research on economic and industrial trends	1984
	Korea Actuarial Association	Research on insurance actuary	2010
Society	World Futures Forum	Future knowledge, future management education & consulting	2010
	Korea Non-Life Insurance Association	Response to the common issues of non-life insurance industry	1952
	BEST Forum: Business Ethics and Sustainability Management for Top Performance	Sharing best practices of domestic business ethics and sustainability management researches	2003
	Korean Competition Law Association	Research on fair competition laws	2009
	Korea Fair Competition Federation	Propagating market competition theory, supporting fair transactions of companies and communicating between the government and industry on fair trade policies	1995
	Korea Insurance Law Association	Research on insurance act	2006
	Korea Insurance Academic Society	Research on insurance science	1964
	Korea Listed Companies Association	Exchange among listed companies and right protection	1975
Environment	Korean Association of Professional Safety Engineers	Reinforcing collaboration among professional safety agencies and developing safety engineering	2008
	Korean Institute of Fire Science & Engineering	Research and information exchange on fire and fire prevention	2001
	Korea Fire Protection Association	Research and enlightenment of safety checking on the fire prevention and extinguishing facilities	1973
	Carbon Disclosure Project (CDP)	Disclosure on carbon management information	2010
	UNEP FI	United Nations Environment Programme Financial Initiative	2010
	Research Council for Automobile Repairs (RCAR)	Technical collaboration and information exchange for improving vehicle safety and developing repair technologies	2010



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