CHAPTER I
General Provisions

Article 1 (Purpose) The purpose of this Act is to compensate rapidly and fairly any occupational accident of workers, and to establish and operate the insurance facilities in a bid to promote rehabilitation and social reintegration of the accident-suffered workers, by operating the industrial accident compensation insurance projects (hereinafter referred to as the "insurance project"), and to contribute to the protection of workers by carrying out projects for preventing accidents other projects for and promoting the welfare of workers. <Amended by Act No. 6100, Dec. 31, 1999>

Article 2 (Management of Insurance and Insurance Year) (1) The insurance project as prescribed by this Act shall be managed by the Minister of Labor. (2) The insurance year for the insurance project as prescribed by this Act shall be the same as the fiscal year of the Government.

Article 3 (Liability and Assistance of National Treasury) (1) The State shall appropriate the expenses required for executing the affairs of the insurance project in the general accounts in the limit of the budget for each fiscal year. (2) The State may assist part of the expenses required for the insurance project in the limit of the budget for each fiscal year.

Article 4 (Definition) For the purpose of this Act, 1. the term "occupational accident" means any wound, disease, physical disability, or death of an worker, which is caused by his duties. In such case, the confirmation criteria for the occupational accident shall be determined by the Ordinance of the Ministry of Labor. <Amended by Act No. 6100, Dec. 31, 1999> 2. the term "worker", "wage", "average wage", and "ordinary wage" means the "worker", "wage", "average wage", and "ordinary wage" as prescribed by the Labor Standards Act: Provided, That if it is deemed difficult to determine the "wage" or "average wage" under the Labor Standards Act, the amount as determined and announced publicly by the Minister of Labor shall be the
“wage” or “average wage”; and

3. the term “survivors” means the spouse (including a person who has a de facto marital relation), children, parents, grandchildren, grandparents, brothers or sisters of the deceased person.

Article 4-2 (Base wages)
(1) In case strikes or bankruptcy of a business (hereinafter referred to as the "business") or a workplace makes it difficult to calculate or confirm wages, or when a circumstance falls into cases determined by Presidential Decree, the amount (hereinafter referred as "base wages") as determined and notified by the Minister of Labor shall be the wages.
(2) Base wages shall be determined on an hourly, daily, and monthly basis, in consideration of the size of businesses, types of work and wages level, and may be determined by types of business. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 5 (Scope of Application)
This Act shall apply to all workplaces using workers, except in such businesses as determined by Presidential Decree, taking into account their risk ratio, size and business place. <Amended by Act No. 6100, Dec. 31, 1999>

Article 6 (Industrial Accident Compensation Insurance Deliberation Committee)
(1) In order to deliberate important matters concerning the insurance project, the Industrial Accident Compensation Insurance Deliberation Committee (hereinafter referred to as the “Committee”) shall be established in the Ministry of Labor.
(2) The Committee shall be composed of members representing the workers, employers and public interests, but the number of members representing each section shall be equal.
(3) For the purpose of examining and coordinating the matters to be deliberated, and assisting the deliberation of the Committee, any special committee may be established in the Committee.
(4) Matters necessary for the organization and operation of the Committee and the special committee, shall be determined by the Presidential Decree.

Article 6-2 (Survey and Research on Insurance Business)
(1) The Minister of Labor may conduct survey or research in order to effectively manage and operate the insurance projects.
(2) The Minister of Labor, when deemed necessary, may have some of works referred to in paragraph (1) conducted by those determined by Presidential Decree. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

CHAPTER II
The Insured

Article 7 (The Insured)
(1) The owner of a business which is subject to the Act shall be bound to be the insured of the industrial accident compensation insurance (hereinafter referred to as the “insurance”), except in case of the business owner as prescribed in the
proviso of Article 5. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

(2) The business owner as prescribed in the proviso of Article 5 may be insured with the approval of the Korea Labor Welfare Corporation as prescribed in Article 13.

(3) If a business owner who has been insured under paragraph (2), desires to terminate the insurance contract, he shall obtain the approval of the Korea Labor Welfare Corporation: Provided, That the termination in this case, shall be limited to the case where an insurance year when the insurance relations are established ends. <Amended by Act No. 6100, Dec. 31, 1999>

(4) If it is deemed impossible to keep on maintaining the insurance relation, the Korea Labor Welfare Corporation may extinguish it.

Article 8 (Fictitious Insurance)

(1) If a business whose owner is bound to become insured under Article 7 (1), falls under the business as prescribed in the proviso of Article 5 due to any change, etc. in the scale of business, the business owner shall be considered to be insured under Article 7 (2) as of the day on which the business falls under such one.

(2) Despite provisions of the Article 5, if a business owner pursuant to Article 7(1) no longer uses employees during operation of the concerned business, he/she shall be considered to be insured up to one year from the time he/she decided not to use employees. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

(3) The provisions of Article 7 (3) shall be applicable to a termination of the insurance contract by the business owner as referred to in paragraph (1). <Amended by Act No. 6100, Dec. 31, 1999>

Article 9 (Blanket Application to Subcontract Work and Same Category of Business)

(1) In the event that a business is carried on by several contracts for work, the original contractor shall be considered as the owner of the business to whom his Act applies: Provided, That in case where the original contractor has by a written contract a subcontractor take over the payment of premium, and the Korea Labor Welfare Corporation approves it upon a request of the original contractor, the subcontractor shall be considered as the owner of the business to whom this Act applies.

(2) If each business the owner of which is bound to be insured under Article 7 (1), falls under the following requirements, the whole of such businesses shall be considered as one business in application of this Act:

1. The business owner shall be the same person;
2. The period of each business shall be fixed;
3. Each business shall be included in the same category of business as determined by the Minister of Labor under Article 63; and
4. Each business shall meet such requirements as determined by the Presidential Decree.

(3) If a business owner other than those who are subject to a blanket application under paragraph (2), desires to have this Act applied in consideration that all the businesses falling under the requirements as referred to in subparagraphs 1 and 3 of the said paragraph is a single business, he shall obtain the approval of the Korea
Labor Welfare Corporation. In this case, the business owner shall be considered to be subject to the blanket application to the whole business continuously in the insurance years after the insurance year concerned, unless the relation of blanket application is terminated under paragraph (4). <Amended by Act No. 6100, Dec. 31, 1999>

(4) If the business owner who is subject to the blanket application under paragraph (3), desires to terminate the relation of such blanket application, he shall request it to the Korea Labor Welfare Corporation: Provided, That in this case, the termination of the blanket application relation shall apply to the insurance relation in the following insurance year.

Article 10 (Day on which Insurance Relation comes into Existence)
The insurance relation shall come into existence on one of the following days; <Newly Inserted by Act No. 6100, Dec. 31, 1999>
1. For a business the owner of which is bound to be insured under Article 7 (1), the day on which the business commences (if the business as prescribed in the proviso of Article 5 falls under the business the owner of which is bound to be insured under Article 7 (1), the day on which the business becomes such one); and
2. For the business which is insured under Article 7 (2), the day following the day on which the business owner submits an application for approval to the Korea Labor Welfare Corporation. <Amended by Act No. 6100, Dec. 31, 1999>

Article 11 (Day on which Insurance Relation is Terminated)
The insurance relation shall be extinguished on the day falling under any of the following subparagraphs: <Amended by Act No. 6100, Dec. 31, 1999>
1. Day following the day on which the business is discontinued or closed;
2. In case the business owner under Article 8(2), the next day following the day which becomes one year from the day when he or she stops employing workers; <Newly Inserted by Act No. 6100, Dec. 31, 1999>
3. If the business owner terminates the insurance contract under Article 7 (3) (including the case where it is applicable under Article 8 (2)), the day following the day on which he obtains the approval of the Korea Labor Welfare Corporation on such termination; and <Amended by Act No. 6100, Dec. 31, 1999>
4. Day following the day on which the Korea Labor Welfare Corporation has decided and notified an extinguishment of the insurance relation under Article 7 (4). <Amended by Act No. 6100, Dec. 31, 1999>

Article 12 (Report on Insurance Relation)
(1) If a business owner is insured under Article 7, or the insurance relation is extinguished due to a discontinuance or closure of business, he shall report it to the Korea Labor Welfare Corporation within fourteen days after the business is commenced or the insurance relation is extinguished.

(2) Any owner of the blanket application business as prescribed in Article 9 (2) and (3), shall report it to the Korea Labor Welfare Corporation within fourteen days as of the beginning day of the business (excluding the business reported under paragraph (1)). However, if a business whose work commences within 30 days from the first date of the insurance year exists, the business commencement report may be made for the business concerned simultaneously with the report or application for
the blanket application.

CHAPTER III

Labor Welfare Corporation

Article 13 (Establishment of Korea Labor Welfare Corporation)
In order to carry out efficiently projects to attain the purpose as prescribed in Article 1 under the entrustment of the Minister of Labor, the Korea Labor Welfare Corporation (hereinafter referred to as the “Corporation”) shall be established.

Article 14 (Activities of Corporation)
The Corporation shall carry out any of the following activities:
1. Management and maintenance of records on the insured and the beneficiaries;
2. Collection of premiums and other dues to be collected under this Act;
3. Decision on and payment of the insurance benefits;
4. Deliberation and decision on a request for examination on the insurance benefits;
5. Affairs entrusted by the Minister of Labor in connection with the collection of the employment premiums;
6. Establishment and operation of the industrial accident compensation insurance facilities;
7. Projects to improve the welfare of workers;
8. Other projects entrusted by the Government; and
9. Activities incidental to those as referred to in subparagraphs 6 through 8.

Article 15 (Legal Personality)
The Corporation shall be a juristic person.

Article 16 (Office)
(1) The seat of the principal office of the Corporation shall be determined by the Articles of Association.
(2) The Corporation may, if necessary, establish a branch office under the conditions as prescribed by the Articles of Association.

Article 17 (Articles of Incorporation)
(1) The articles of incorporation shall include any of the following matters:
1. Object;
2. Title;
3. Matters concerning its principal and branch offices;
4. Matters concerning officers and workers;
5. Matters concerning board of directors;
6. Matters concerning projects;
7. Matters concerning budget and settlement of accounts;
8. Matters concerning assets and accounting;
9. Matters concerning modification of the articles of incorporation;
10. Matters concerning enactment, revision and repeal of the internal regulations; and
11. Matters concerning public notice.
The articles of incorporation shall be authorized by the Minister of Labor. This provision shall also apply in case where it is intended to modify it.

Article 18 (Registration of Establishment)
The Corporation shall come into existence by making the registration of establishment at the seat of its principal office.

Article 19 (Officers)
(1) The officers of the Corporation shall be fifteen or less directors including a chairman and three executive directors, and an auditor. <Amended by Act No. 5881, February 8, 1999>

(2) The chairman shall be appointed by the President upon proposal of the Minister of Labor, and the directors and auditor, by the Minister of Labor upon proposal of the chairman, excluding the ex officio directors.

(3) The non-executive directors shall not receive any remuneration: Provided, That they may receive the actual expenses needed for performing their duties.

Article 20 (Term of Officers)
The term of the officers shall be three years, and renewable, respectively: Provided, That the term of the ex officio directors shall be the period in which he is in his office. <Amended by Act No. 6100, Dec. 31, 1999>

Article 21 (Duties of Officers)
(1) The chairman shall represent the Corporation, and exercise a general control over the affairs of the Corporation.

(2) The executive directors shall take partial charge of the Corporation's affairs under the conditions as prescribed by the Articles of Association, and if the chairman is absent by any accident, they shall act for him in such order as determined by the Articles of Association.

(3) The auditor shall inspect and audit the affairs and accounts of the Corporation.

Article 22 (Disqualification for Officer)
No person who falls under any of the following subparagraphs, shall be an officer of the Corporation:

- A person who is not a national of the Republic of Korea; and
- A person who falls under any of subparagraphs of Article 33 of the State Public Official Act.

Article 23 (Inevitable Retirement or Dismissal of Officer)
(1) If an officer falls under any of subparagraphs of Article 22, he shall inevitably retire.

(2) If an officer falls under any of the following subparagraphs, a person who has the appointive power may dismiss him:

- Where he is deemed impossible to perform his duties due to any physical or mental disability;
- Where he violates his occupational obligation; and
- Where he inflicts on purpose or by grave negligence any loss on the Corporation.

Article 24 (Restriction on Holding Concurrent Office by Officer or Employee)
The regular officers and employees of the Corporation shall not be engaged in any affairs, which aim at any profits, other than their duties and the regular officers may not hold concurrently another office without obtaining the permission of the
Minister of Labor, and the regular employees, without obtaining the permission of the chairman.

Article 25 (Board of Directors)
(1) In order to deliberate and decide important matters concerning the affairs of the Corporation the board of directors shall be established.
(2) The board of directors shall be composed of the chairman and directors.
(3) The chairman shall convene the board of directors, and be the presider.
(4) The board of directors shall make a decision with attendance of a majority of all members and by a concurrent vote of a majority of members present.
(5) The auditor may attend and speak to the board of directors.
(6) Matters necessary for the operation of the board of directors shall be determined by the Articles of Association.

Article 26 (Appointment and Dismissal of Employees and Selection of Representative)
(1) The chairman shall appoint and dismiss employees of the Corporation under the conditions as prescribed by the Articles of Association.
(2) The chairman may select a representative who is competent for any judicial or extra judicial act related to affairs of the Corporation, from among workers, under the conditions as prescribed by the Articles of Association.

Article 27 (Fiction as Public Official in Application of Penal Provisions)
The officers and workers of the Corporation shall be considered as public officials in application of the provisions of Articles 129 through 132 of the Penal Code.

Article 28 (Direction and Control of Affairs)
(1) The Corporation shall obtain the approval of the Minister of Labor on the operational plan and the budget for each fiscal year, under the conditions as prescribed by the Presidential Decree.
(2) The Corporation shall report the actual operational results and the settlement of accounts, to the Minister of Labor within two months after each fiscal year is terminated.
(3) The Minister of Labor may order the Corporation to make a report on its activities, inspect the situation of its projects or property, and if necessary, take any measures necessary for supervision, such as ordering to modify the articles of incorporation, etc.

Article 29 (Accounting of Corporation)
(1) The fiscal year of the Corporation shall be conformed to that of the Government.
(2) The Corporation shall manage separately the insurance project accounts from other accounts of the Corporation.
(3) The Corporation shall make the accounting rules with the approval of the Minister of Labor.

Article 30 (Borrowing, etc., of Funds)
(1) If it is required for its activities as prescribed in Article 14, the Corporation may borrow funds (including borrowing from any international organization, foreign government or foreigner) with the approval of the Minister of Labor.
(2) If the expenditure exceeds the revenue in connection with the insurance project for each fiscal year, the Corporation may bring in funds from the industrial accident
compensation insurance fund to appropriate for the shortage with the approval of the
Minister of Labor, in the limit of the legal liability reserve as prescribed in Article
84.

Article  31  (Settlement of Surplus)
If any surplus remains as a result of the settlement of accounts at the end of each
fiscal year, the Corporation shall make up the loss with it by account, and reserve
the remainder as prescribed in the accounting rules of the Corporation.

Article  32  (Entrustment with Affairs)
(1) The Corporation may entrust any communication agencies or financial
institutions with the collection of the premiums and other dues to be collected under
this Act, the payment of the insurance benefits, and part of its affairs.
(2) The scope of affairs entrusted by the Corporation under paragraph (1), shall be
determined by the Presidential Decree.

Article  33  (Collection of Fee, etc.)
With respect to the activities as prescribed in Article 14, the Corporation may have
the beneficiaries bear the expenses needed for its activities, such as charges for
using the Corporation’s facilities, fee for entrustment of affairs, etc., with the
approval of the Minister of Labor.

Article  34  (Request for Presentation of Materials)
(1) If it is deemed necessary for its affairs such as collection of premium, the
Corporation may request related administrative agencies including the National Tax
Administration and local government or any institution and organization, etc.,
related to the insurance project, to present necessary materials. <Amended by Act
No. 6100, Dec. 31, 1999>
(2) The related administrative agencies or any institution and organization, etc.,
related to the insurance project shall not deny request to provide materials under the
provision of paragraph (1). <Newly Inserted by Act No. 5398. Aug. 28, 1997>

Article  35  (Investment, etc.)
(1) If it is necessary for carrying out each project efficiently, the Corporation may
make any investment in or contribution to the projects as prescribed in
subparagraphs 6 through 8 of Article 14.
(2) The Corporation may establish a management entity with the permission of the
Minister of Labor in order to manage and operate industrial accident compensation
insurance facilities which carry out health and rehabilitation programs. In this case,
the management entity shall be a juristic person.<Newly Inserted by Act No. 6100,
Dec. 31, 1999>
(3) The Corporation shall direct and control the affairs of the management entity
which is established under the provision of paragraph(2). <Amended by Act No.
6100, Dec. 31, 1999>
(4) Matters necessary for the investment, contribution or establishment of a
management entity as referred to in paragraphs (1) and (2), shall be determined by
the Presidential Decree. <Amended by Act No. 6100, Dec. 31, 1999>

Article  36  (Prohibition of Use of Similar Title)
No person other than the Corporation shall use the title of the Korea Labor Welfare
Corporation or any similar title.
Article 37  (Application of Civil Code)
Except as provided by this Act relating to the management entity pursuant to the Corporation and Article 35(2), the provisions concerning the foundation in the Civil Code shall be applied mutatis mutandis.

CHAPTER IV

Insurance Benefits

Article 38  (Categories and Payment Grounds of Insurance Benefits)
(1) The categories of the insurance benefits shall be as follows: <Amended by Act No. 6100, Dec. 31, 1999>
1. Medical care benefits;
2. Shutdown benefits;
3. Disability benefits;
3-2 Nursing benefits
4. Survivors benefits;
5. Injury-disease compensation annuity; and
6. Funeral expenses.
(2) The insurance benefits as referred to in paragraph (1) shall be paid upon the request of the person who is entitled to receive it under the provisions of Article 40, 41, 42, 42-3, 43, 44, and 45 (hereinafter referred to as the "beneficiary"). <Amended by Act No. 6100, Dec. 31, 1999>
(3) In calculating the insurance benefits, if the ordinary wage paid to workers of the same occupational category as that to which the worker concerned belongs, is fluctuated, or the business is discontinued or suspended, or there is any inevitable reason, the average wage may be increased or decreased in conformity with such criteria as determined by the Presidential Decree.
(4) In calculating the insurance benefits, when it is deemed inadequate to apply average wage due to uniqueness of the worker's types of work as determined by Presidential Decree, the amount calculated by as determined by Presidential Decree shall be considered as the average wage of the worker concerned. <Amended by Act No. 6100, Dec. 31, 1999>
(5) In calculating the insurance benefits, when applying the average wage to a worker who is entitled to receive the insurance benefits due to an occupational disease determined by Presidential Decree such as pneumoconiosis is considered inappropriate to protect the worker, the amount calculated by the method as prescribed by Presidential Decree shall be the average wage of the worker concerned. <Amended by Act No. 6100, Dec. 31, 1999>
(6) In calculating the insurance benefits(excluding funeral expenses), when the average wage of the worker concerned or the average wage which becomes the base criteria for calculating the insurance benefits pursuant to paragraphs (3) through (5) either exceeds the maximum compensation base benefits or is less than the minimum compensation base benefits, notified annually by the Minister of Labor as
determined by Presidential Decree, the average wage of the worker concerned shall be the maximum compensation base benefits or the minimum compensation base benefits, respectively. However, it won't be the case for shutdown benefits and injury-disease compensation annuity when applying the minimum compensation base amount. <Amended by Act No. 6100, Dec. 31, 1999>

Article 39 (Presumption of Death)

(1) If it is obscure whether or not an worker aboard a ship or aircraft in which an accident occurs, is alive, or if it is obscure whether the worker is alive, by a missing worker aboard a ship or aircraft on navigation, or by other reason, he shall be presumed to be dead under the conditions as prescribed by the Presidential Decree, and the provisions concerning the survivors benefits and the funeral expenses shall be applicable.

(2) In a case where it is confirmed that the worker is alive, after the insurance benefits are paid by the presumption of death as referred to in paragraph (1), if the person who received such benefits, is bona fide, the received amount shall be returned, and if he is mala fide, the amount equivalent to two times the received amount.

Article 40 (Medical Care Benefits)

(1) The medical care benefits shall be given to the workers concerned when the workers are injured or contract disease due to accidents related with works he or she is involved. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

(2) The medical care benefits shall be the total amount of the medical care expenses, but the medical care shall be given at any insurance facilities installed by the Corporation, or at the medical institution designated by the Corporation: Provided, That in any inevitable case, the medical care expenses may be paid in lieu of the medical care. <Amended by Act No. 6100, Dec. 31, 1999>

(3) In the case as referred to in paragraph (1), if a wound or disease is to be treated through medical care for three days or less, the medical care benefits shall not be paid. <Amended by Act No. 6100, Dec. 31, 1999>

(4) The scope of the medical care benefits as referred to in paragraph (1) shall be as follows: <Amended by Act No. 6100, Dec. 31, 1999>

1. Diagnosis;
2. Provision with medicines or diagnosis and treatment materials, artificial limbs, and other prosthetic devices;
3. Treatment, operation and other medical care;
4. Hospitalization in medical facilities;
5. Nursing;
6. Transportation; and
7. Other matters as determined by the Ordinance of the Ministry of Labor,

(5) The criteria for calculation of the medical care benefits, such as the scope, expenses, etc. of the medical care benefits as referred to in paragraphs (2) and (4), shall be determined and announced publicly by the Ordinance of the Ministry of Labor. <Amended by Act No. 6100, Dec. 31, 1999>

(6) If it is deemed that the location, manpower, facilities, etc. of the insurance facilities or medical institution at which the worker concerned receives the medical
care, are not adequate for the medical care of the worker, the Corporation may designate another insurance facility or medical institution so the medical care can be given at such facility or institution. <Amended by Act No. 6100, Dec. 31, 1999>

Article 40-2 (Additional Medical Care)
(1) When those who received the medical care benefits prescribed in Article 40 relapse into the occupational injury or disease after treatment or get medical advice from the doctor that they need active medical care to treat the aggravated disease, they may receive the medical care(hereinafter referred to as additional medical care) provided in Article 40.
(2) When those who received in advance the disability compensation annuity provided in Article 42(5) undergo additional medical care, the shutdown benefits prescribed in Article 41 and the injury-disease compensation annuity provided in Article 44 shall be paid in accordance with Presidential Decree during the in-advance payment period.
(3) In the case that a beneficiary of the disability compensation annuity receives additional medical care, payment of the disability compensation annuity shall be stopped from the next month following the month where a date of determination to receive additional medical care belongs to the month where a date when the additional medical care ends belongs.
(4) Necessary matters such as requirements and procedures of additional medical care shall be determined by the Ordinance of the Ministry of Labor.

<Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 41 (Shutdown Benefits)
(1) The shutdown benefits shall be paid for the period in which the worker concerned is unable to work due to the medical care necessitated by his/her being injured at work or contracting disease, but the amount to be paid for a day shall be the amount equivalent to 70/100 of the average wage: Provided, That if the period of not being able to work is three days or less, it shall not be paid.
(2) Despite the provisions of paragraph(1), after the worker concerned reaches a certain age, the shutdown benefits shall be paid in reduced amount in consideration of his/her work ability, and the age and payment criteria shall be determined by Presidential Decree. However, if the worker concerned who was employed after a certain age undergoes medical care due to work-related accidents, the shutdown benefits shall not be reduced during the period prescribed by Presidential Decree.

<Newly Inserted by Act No. 6100, Dec. 31, 1999>

(3) When the shutdown benefits calculated pursuant to paragraph (1) are less than the minimum wage provided in Article 5 of the Minimum Wage Act, the minimum wage shall be the daily shutdown benefits for the worker concerned. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 42 (Disability Benefits)
(1) Disability Benefits shall be provided to a worker who has a disability after receiving medical care due to injuries or diseases suffered during work. <Newly Inserted by Act No. 6100, Dec. 31, 1999>
(2) The disability benefits shall be the disability compensation annuity or lump sum disability compensation as set forth in the annexed Table 1, depending on the grade
of disability, but the criteria of the disability grades shall be determined by the Presidential Decree. <Amended by Act No. 6100, Dec. 31, 1999>

(3) The disability compensation annuity or lump sum disability compensation as referred to in paragraph (2) shall be paid according to the choice of the beneficiary: Provided, That any worker in the disability grade, who has entirely lost his working force, as prescribed by the Presidential Decree, shall receive the disability compensation annuity. <Amended by Act No. 6100, Dec. 31, 1999>

(4) Despite the provision in paragraph (3), when it is difficult to pay the disability benefits in annuity as determined by Presidential Decree, the benefits shall be paid in lump sum disability compensation. <Newly inserted by Act No. 6100, Dec. 31, 1999>

(5) The amount of the disability compensation annuity for the first one or two years may be paid in advance upon request of the beneficiary: Provided, That the worker as referred to in the proviso of paragraph (3) may receive in advance the amount of such annuity for the first one to four years. <Amended by Act No. 6100, Dec. 31, 1999>

(6) In the event that the rights of a beneficiary of the disability compensation annuity are terminated pursuant to Article 42-2 and if the sum of the number of days obtained by dividing the amount of the already paid annuity by each average wage at the time of payment, is short of the number of days for the lump sum disability compensation as set forth in the annexed Table 1, the amount calculated by multiplying the number of days short by the average wage at the time of the termination shall be paid in lump sum to the survivors or the worker concerned. <Amended by Act No. 6100, Dec. 31, 1999>

Article 42-2 (Termination of the Rights to Receive Disability Compensation Annuity)
The rights to the disability compensation annuity shall be terminated in the event that a beneficiary dies or in any case determined by the Presidential Decree. <Newly Inserted by Presidential Decree No. 6100, Dec. 31, 1999>

Article 42-3 (Nursing Benefits)
(1) Nursing benefits shall be paid to those who received the medical care benefits pursuant to Article 40 and, due to constant or frequent nursing needs after the medical care, received actual nursing services.

(2) The payment criteria and methods of nursing benefits referred to paragraph (1) shall be determined by the Presidential Decree.

<This Article Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 43 (Survivors Benefits)
(1) Survivors' benefits shall be paid to the surviving family of the worker who died from work-related reasons. <Amended by Act No. 6100, Dec. 31, 1999>

(2) Survivors' benefits shall be paid in the form of survivors' compensation annuity or lump sum survivors' compensation as set forth in the annexed Table 2. Provided, that the lump sum survivors' compensation shall be paid only when payment of the compensation in the form of annuity is difficult as determined by the Presidential Decree, <Amended by Act No. 6100, Dec. 31, 1999>

(3) When a beneficiary of the survivors' compensation annuity pursuant to
paragraph (2) desires so, an amount equivalent to 50/100 of the lump sum survivors' compensation shown in the annexed Table 2 shall be paid in lump sum, and the survivors' compensation annuity shall be paid by reducing 50/100 of the annuity.

(4) In the case where a person who has received the survivors compensation annuity, is disqualified for it, if there is no other person qualified for it, and the sum of the number of days obtained by dividing the amount of the already paid annuity by each average wage at the time of payment, is short of one thousand and three hundred days, the amount calculated by multiplying the number of the insufficient days by the average wage at the time he is disqualified for it, shall be paid in lump sum to other survivors who are not qualified for it.

(5) The payment criteria, methods and other necessary matters of the survivors' compensation annuity pursuant to paragraph (2) shall be determined by the Presidential Decree.

Article 43-2 (Scope of Persons Entitled to Receive the Survivors' Compensation Annuity)
(1) Those who are eligible to receive the survivors' compensation annuity (hereinafter referred to as "a person entitled to receive the survivors' compensation annuity") shall be the surviving family, such as persons who were supported by the worker concerned at the time of his death including the wife (including wife in de facto marital relationship. Hereinafter the same) and one of those falling into the following subparagraphs:
1. Husband (including a person in de facto marital relationship. Hereinafter the same), parents and grandparents aged 60 or older
2. Children and grandchildren aged less than 18
3. Brothers and sisters aged less than 18, or aged 60 or older
4. Among husband, children, parents, grandchildren, grandparents, brothers and sisters who do not fall into subparagraphs 1 through 3, those with the disability grade or higher determined by Presidential Decree on the disability grade pursuant to Article 42(2).

(2) When applying the paragraph(1), in the case of a child who was not born at the time of worker's death, the child shall be regarded as having been supported by the worker concerned at the time of his death.

(3) Among persons who are entitled to receive the survivors' compensation annuity, the rights to the survivors' compensation annuity shall be awarded in the order of spouse, children, parents, grandchildren, grandparents and brothers and sisters.

Article 43-3 (Disqualification of a Person Entitled to Receive the Survivors' Compensation Annuity and Discontinuation of the Annuity Payment)
(1) A family member who is entitled to receive the survivors' compensation annuity shall lose the eligibility when the member falls into one of the subparagraphs below:
those who are de facto in a marital relationship
3. When the kinship with the dead worker ends
4. When children, grandchildren and brother and sisters of the dead worker reach 18
5. Those who had disability prescribed in subparagraph 4 of Article 43-2(1), but have no longer the disability.

(2) When those who are qualified for the survivors' compensation annuity (hereinafter referred to as the Survivors' Compensation Annuity Beneficiaries) lose the qualification, the rights to receive the survivors' compensation annuity are transferred to a person in the same order, and if such person does not exist, to a person in the next order.

(3) If a beneficiary of the survivors' compensation annuity is missing for one year or more, the payment of the annuity shall be suspended and be made to a person in the next order pursuant to Presidential Decree.

<Newly Inserted by Act No. 6100, Dec. 31, 1999>
Article 43-4 (Order of Surviving Family Members Who are Beneficiaries)
(1) The order of rights to the benefits among the survivors prescribed in Article 42(6), Article 43(2)(limited to the lump sum survivors' compensation) and (4) shall be in the order of the subparagraphs below. The order between persons in each subparagraph shall be the order listed in the subparagraph. In case there are two or more beneficiaries with the same order, the benefits shall be equally divided and paid to the concerned beneficiaries.

1. Spouse, children, parents, grandchildren and grandparents who were supported by the worker at the time of his death.
2. Spouse, children, parents, grandchildren and grandparents who were not given support by the worker at the time of his death or brothers and sisters who were supported by the worker at the time of his death.
3. Brothers and sisters

(2) In paragraph(1), adoptive parents shall be given priority rights over natural parents, parents of adoptive parents over parents of natural parents, and adoptive parents of parents over natural parents of parents.

(3) In case a surviving family member who is beneficiary dies, the insurance benefits shall be paid to those in the same order, but when there is no one in the same order, to those in the next order.

(4) Despite provisions of paragraphs (1) through (3), when the worker concerned designates a family member who is to receive the insurance benefits in his will, the designated family member shall receive the benefits.

<Newly Inserted by Act No. 6100, Dec. 31, 1999>
Article 44 (Injury-Disease Compensation Annuity)
(1) If a worker who receives the medical care benefits, continues to be in the state falling under the following requirements, after two years elapse from the day on which the medical care commenced, the injury-disease compensation annuity shall be paid to the beneficiary instead of the medical care benefits. In this case, if a person who has received the disability compensation annuity as prescribed in the proviso of Article 42(3), is undergoing additional medical care, it shall be considered to have elapsed two years after the medical care commenced:
1. The wound or disease shall be in an uncured state; and
2. The degree of the invalidity caused by the wound or disease falls under such invalidity grade standards as determined by the Presidential Decree. <Amended by Act No. 6100, Dec. 31, 1999>

(2) The injury-disease compensation annuity shall be paid according to the grades of invalidity as prescribed in the annexed Table 3. <Amended by Act No. 6100, Dec. 31, 1999>

(3) Despite provisions of paragraph (2), when the worker concerned reaches a certain age, the injury-disease compensation annuity shall be paid in reduced amount in consideration of the worker's working capability, and the matters on the age and the payment criteria, etc., shall be determined by Presidential Decree. However, if a person who was in employment after a certain age undergoes medical care due to work-related accidents, the injury-disease compensation annuity shall not be reduced for the period determined by Presidential Decree. <Amended by Act No. 6100, Dec. 31, 1999>

Article 45 (Funeral Expenses)
(1) Funeral expenses shall be paid when a worker dies due to work-related accidents, and an amount equivalent to 120 days' worth of the worker's average wage shall be paid to a person who performs funeral services.
(2) In case the funeral expenses pursuant to paragraph (1) either exceed the maximum amount or are less than the minimum amount notified by the Minister of Labor as determined by Presidential Decree, the maximum or minimum amount shall be the funeral expenses, respectively. <Amended by Act No. 6100, Dec. 31, 1999>

Article 45-2 (Medical Examination of Aftereffect)
The Corporation may have those who do not fall into the conditions for additional medical care pursuant to Article 40-2 but have aftereffect or risk of aftereffect after being treated due to the characteristics of injuries and diseases, treated at the medical facilities provided in Article 40(2). <This Article Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 46 (Special Disability Benefits)
(1) In case where a worker has sustained any disability falling under such grade of disability as determined by the Presidential Decree, due to an occupational accident caused by an intention or negligence of the insured, if the beneficiary claims the special disability benefits in lieu of the claim for damage as prescribed by the Civil Code, the special disability benefits as prescribed by the Presidential Decree may be paid in addition to the disability benefits as prescribed in Article 42: Provided, That it is limited to the case where an agreement between the worker and the insured on the special disability benefits is made.
(2) If the beneficiary has received the special disability benefits under paragraph (1), he may not claim for damage as prescribed by the Civil Code or other Acts and subordinate statutes, to the insured for the same cause.
(3) When the Corporation has paid the special disability benefits under paragraph (1), it shall collect the total of such benefits from the insured under the conditions as prescribed by the Presidential Decree.
Article 47  (Special Survivors Benefits)
(1) In a case where a worker dies due to an occupational accident caused by intention or negligence of the insured, if the beneficiary claims the special survivors benefits in lieu of the claim for damage as prescribed by the Civil Code, the special survivors benefits as prescribed by the Presidential Decree may be paid in addition to the survivors benefits as prescribed in Article 43.
(2) The provisions of Article 46 (1) (proviso), (2) and (3) shall be applicable to the special survivors’ benefits as referred to in paragraph (1). In this case, the term “special disability benefits” shall be read as the term “special survivors’ benefits”.

Article 48  (Relation with Other Compensation or Indemnity)
(1) In the event that the beneficiary has been paid or may be paid the insurance benefits under this Act, the insured shall be exempted from the liability for accident compensation as prescribed by the Labor Standards Act for the same cause.
(2) If the beneficiary has received any insurance benefits as prescribed by this Act for the same cause, the insurant shall be exempted from the liability for indemnity as prescribed by the Civil Code and other Acts and subordinate statutes, in the limit of such amount. In this case, a person who receives the disability or survivors compensation annuity, shall be considered to have received the lump sum disability or survivors compensation.
(3) If a beneficiary has received under the Civil Code or other Acts and subordinate statutes, any money equivalent to the insurance benefits as prescribed by this Act, for the same cause, the Corporation shall not pay the insurance benefits as prescribed by this Act in the limit of the amount calculated by converting such received money by the method as determined by the Presidential Decree, except in case of the annuity amount equivalent to the lump sum disability or survivors compensation considered to be paid to the beneficiary under the latter part of paragraph (2).
(4) If a worker who receives the medical care benefits, has received the injury-disease compensation annuity since the day on which three years have elapsed after the medical care commenced, the employer concerned shall be considered to have paid the lump sum compensation as prescribed in Article 87 of the Labor Standards Act since the day on which three years have elapsed, in application of the provisions of the proviso of Article 30 (2) of the same Act.

<Amended by Act No. 6100, Dec. 31, 1999>

Article 49  (Scope of Beneficiary)
Deleted. <by Act No. 6100, Dec. 31, 1999>

Article 50  (Unpaid Insurance Benefits)
(1) In cases where the beneficiary of the insurance benefits is dead, if there are any insurance benefits to be paid, but not yet paid, to the beneficiary, such insurance benefits shall be paid upon a claim of survivors of the beneficiary (in case of the survivors’ benefits, other survivors who are entitled to receive such benefits).
(2) In the case as referred to in paragraph (1), if the beneficiary fails to claim the insurance benefits prior to his death, the insurance benefits shall be paid upon a claim of his survivors as referred to in the said paragraph.
Article 51 (Payment of Insurance Benefits)
The insurance benefits shall be paid within fourteen days after the payment thereof is decided.

Article 52 (Restriction on Payment of Insurance Benefits)
(1) If it is obvious that the worker has aggravated the state of any wound, disease or physical disability, or prevented the cure thereof, by violating the direction for the medical care without any justifiable reason, the Corporation may not pay the whole or part of the insurance benefits.
(2) When the Corporation has decided not to pay the insurance benefits under paragraph (1), it shall notify it without delay to the insured and the worker concerned.

Article 53 (Collection of Undue Gains)
(1) The Corporation shall, when a person who received the insurance benefits falls into each of the following subparagraphs, collect an amount equivalent to the benefits. However, if the person falls into subparagraph 1, an amount equivalent to the two times of the benefits shall be collected from him.
1. If a person received the insurance benefits by a false or other unlawful way
2. If a person who was a benefit beneficiary or entitled to the benefits received unduly the insurance benefits by not fulfilling the reporting requirements pursuant to Article 99(2) through (4)
3. Other cases where the insurance benefits were overpaid or paid in mistake.
(2) In case of subparagraph 1 of paragraph (1), if the payment of the insurance benefits was made due to false reporting or verification by the insured, the insured shall be jointly liable.

<Amended by Act No. 6100, Dec. 31, 1999>

Article 53-2 (Appropriation of the Insurance Benefits)
The Corporation may, if a person who unduly received the benefits pursuant to Article 53 is eligible to receive an insurance benefits, appropriate the insurance benefits to an amount to be collected pursuant to Article 53. <Amended by Act No. 6100, Dec. 31, 1999>

Article 54 (Claim for Damages against Third Person)
(1) If the insurance benefits are paid due to an accident caused by a third person’s act, the Corporation shall subrogate the position of the person who has received the benefits, to exercise the claim for damages against the third person, in the limit of the benefits amount, except in case where two or more business owners who are the insured, operate one business divided into two or more parts at the same place, and the accident takes place by an act of a worker whose employer is different.
(2) In the case as referred to in paragraph (1), if the beneficiary has received from the third person for the same cause, any compensation for damages equivalent to the insurance benefits as prescribed by this Act, the Corporation shall not pay the insurance benefits as prescribed by this Act, in the limit of the amount of the compensation converted according to the method as determined by the Presidential Decree.
(3) If any accident takes place by an act of a third person, the beneficiary and the insured shall report it without delay to the Corporation.
Article 55 (Protection of Right to Benefits)
(1) The right of a worker to receive the insurance benefits shall not be extinguished by his retirement.
(2) The right to receive the insurance benefits shall not be transferred or seized.

<Amended by Act No. 6100, Dec. 31, 1999>

Article 55-2 (Exercise by Proxy of the Rights to Receive Benefits)
In case an insured pays a valuable equivalent to the insurance benefits to his/her worker for work-related accidents pursuant to Civil Code or other laws in the same reason as the payment of the insurance benefits in accordance with this Act and the valuable is considered as the substitute for the insurance benefits, the insured may exercise the rights by proxy to receive the insurance benefits for the worker concerned as determined by Presidential Decree. <This Article Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 56 (Exemption of Public Charges)
Any public charges of the State or local government shall not be imposed on any money paid as the insurance benefits.

CHAPTER V

Premium

Article 57 (Collection of Premium)
In order to appropriate for the expenses needed for the insurance project, the Corporation shall collect the premiums from the insured.

Article 58 (Industrial Accident Compensation Insurance Affairs Association)
(1) An organization composed of business owners which was established by a special act or a corporation which was set up with permission from the Minister of Labor pursuant to Article 32 of Civil Code, and any organization which falls into the criteria determined by Presidential Decree (hereinafter referred to as the "business owners organizations") may submit the insurance premium and other charges pursuant to this Act to be paid by an insured, upon entrustment from the insured, and conduct other insurance-related work (hereinafter referred to as the "insurance work") for the insured.

<Amended by Act No. 6100, Dec. 31, 1999>

(2) If the business owners organization desires to execute the insurance affairs under paragraph (1), it shall obtain the authorization of the Corporation under the conditions as prescribed by the Presidential Decree. This provision shall also apply in case where it desires to modify the authorized matters (excluding such insignificant matters as determined by the Ordinance of the Ministry of Labor).<Amended by Act No. 6100, Dec. 31, 1999>

(3) If the business owners organization authorized under paragraph (2) (hereinafter referred to as “insurance affairs association”), desires to abolish the whole or part of the affairs as referred to in paragraph (1), or to modify such matters as determined by the Ordinance of the Ministry of Labor as referred to in paragraph (2),
it shall report it to the Corporation. <Amended by Act No. 6100, Dec. 31, 1999>

(4) If it is deemed that the insurance affairs association manages illegally or unreasonably the insurance affairs, or neglects the management thereof, the Corporation may cancel the authorization as referred to in paragraph (2).

(5) When the insurance affairs association has dealt with any insurance affairs, the Corporation may deliver the expenses for collection under the conditions as prescribed by the Presidential Decree.

Article  59  (Notification, etc., to Insurance Affairs Association)
The Corporation may substitute for a notification or return to the insured, by making the notification of the payment, etc., of the premiums or other dues to be collected under this Act, or the return of any refund, to the insurance affairs association to which the insured entrusts with the insurance affairs.

Article  60  (Liability, etc., for Payment of Insurance Affairs Association)
(1) The insurance affairs association shall receive the premiums and other dues as prescribed by this Act from the insured who have entrusted the association with the insurance affairs, and pay the amount within the period of payment.

(2) In cases where the Corporation collects the additional dues as prescribed in Article 70, the arrearage as prescribed in Article 71, and the insurance benefits as prescribed in Article 72 (1) 2, if the cause of collection is attributable to the insurance affairs association, this association shall pay it in the limit of such liability.

Article  61  (Keeping, etc., of Books by Insurance Affairs Association)
The insurance affairs association shall keep at its office the books and other documents specifying the matters concerning the insurance affairs under the conditions as prescribed by the Presidential Decree.

Article  62  (Calculation of Premium)
(1) The premium shall be the amount calculated by multiplying the total wage of the business operated by the insured, by the rates of premiums applicable to the same category of business.

(2) If it is difficult to determine the presumed amount of the total wage or the total wage as prescribed in Articles 65 (1) and 67 (1), it shall be determined by such ratio of labor as determined and announced publicly by the Minister of Labor.

Article  63  (Determination of Premium Rates)
(1) The premium rates shall be classified and determined by category of business under the conditions as prescribed by the Ordinance of the Ministry of Labor, on the basis of the ratio of the total insurance benefits to the total wages for the past three years, as of September 30, in each year, taking into consideration the amount needed for the insurance benefits, such as annuity, etc. as prescribed by this Act, expenses needed for prevention of accidents, improvement of welfare of the affected workers, etc., and other circumstances. In this case, one won of the wage shall be the calculation unit of the premium rate.

(2) Notwithstanding the provisions of paragraph (1), the Minister of Labor shall determine separately by category of business the premium rate of any business for which three years have not elapsed after the insurance relation came into existence, through a deliberation of the Committee under the conditions as prescribed by the
Ordinance of the Ministry of Labor.

Article 64 (Special Case of Determination of Premium Rate)
With respect to such business as prescribed by the Presidential Decree, and for which three years have elapsed after the insurance relation came into existence, as of September 30, in each year, if the ratio of the amount of insurance benefits to the amount of the premiums for the past three years as of September 30, in the current year, is over 85/100 or under 75/100, the Corporation may increase or decrease the premium rate applicable to such business in the limit of 40/100 as prescribed by the Presidential Decree, to be the premium rate applicable to the business in the following insurance year.

Article 65 (Report and Payment of Estimated Premium)
(1) The insured shall report and pay each insurance year to the Corporation the amount (hereinafter referred to as the “estimated premium”) calculated by multiplying the presumed amount of the total wages to be paid to all workers to be employed (in such case as prescribed by the Presidential Decree, the total wages paid to all workers employed in the preceding year), for one year (if the insurance relation comes into existence in the insurance year, the period from the day on which the insurance relation comes into existence, to the end of the insurance year), by the premium rate, within seventy days from the beginning day of the insurance year (if the insurance relation comes into existence in the insurance year, the day on which the insurance relation comes into existence), under the conditions as prescribed by the Presidential Decree. Provided, That for a business the period of which is fixed, such as construction work, etc., and which is finished within seventy days, the report and payment shall be made by the day preceding the day on which the business is finished.

(2) An insured shall, when the total wage estimate increases by more than a level determined by Presidential Decree after paying the estimate premium, report and pay the difference between the estimate premium calculated based on the increased total wage estimate and the already paid estimate premium to the Corporation by the last day of the next month following the month where a day when the total wage increased falls. However, those falling into the reasons determined by Presidential Decree such as small business owners shall be excepted. <Amended by Act No. 6100, Dec. 31, 1999>

(3) If the insured fails to make the report as referred to in paragraphs (1) and (2), or if the report is different from the fact, the Corporation shall, after investigating the fact, calculate and collect the estimated premium, but if there is any already paid amount, it shall collect the balance.

(4) The insured may pay in installments the estimated premiums as referred to in paragraphs (1) and (2), under the conditions as prescribed by the Presidential Decree.

(5) If the insured pays in full the estimated premium to be paid in installments under paragraph (4), within the payment term as referred to in paragraphs (1) and (2), the amount equivalent to 5/100 shall be deducted from such estimated premium.

Article 66 (Measures taken by Increase or Decrease of Premium Rate)
(1) If the premium rate is increased or decreased, the Corporation shall collect an
additional estimated premium, or adjust it to a reduced amount.

(2) If the insured reduces the scale of his business during the insurance year, and consequently the total amount of the already reported estimated premiums exceeds the actual total estimated premiums beyond the base as determined by the Presidential Decree, the Corporation may reduce the excess amount upon request of the insured.

Article 67 (Report, Payment and Liquidation of Final Premium)
(1) The insured shall report to the Corporation the amount (hereinafter referred to as the “final premium”) calculated by multiplying the total wages paid (including the amount determined to be paid) to all workers employed by the end of each insurance year or the day on which the insurance relation is extinguished, by the premium rate, within seventy days from the beginning day of the following insurance year (in case of a business the insurance relation of which is extinguished during the insurance year, thirty days from the day following the day on which the insurance relation is extinguished), under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 6100, Dec. 31, 1999>

(2) If the amount of the estimated premium paid or collected additionally under Articles 65 and 66 (1), is over the amount of the final premium as referred to in paragraph (1), the Corporation shall return the excess amount to the insurant, and if insufficient, the insured shall pay the shortage within seventy days from the beginning day of the following insurance year (in case of a business the insurance relation of which is extinguished during the insurance year, thirty days from the day following the day on which the insurance relation is extinguished).

(3) If the insurant fails to make the report as referred to in paragraph (1), or his report is different from the fact, the Corporation shall, after investigating the fact, calculate the amount of the final premium.

(4) In case where the Corporation has calculated the amount of the final premium under paragraph (3), if the insured fails to pay the estimated premium, the Corporation shall collect the final premium in full, and if the insured pays the estimated premium, and the amount exceeds the amount of the final premium, the Corporation shall return the excess amount to the insured, and if the amount of the estimated premium paid is short of the amount of the final premium, the Corporation shall collect the shortage.

Article 67-2 (Special Case of Premium Collection)
The Corporation may, in case circumstances fall into the reasons determined by Presidential Decree such as when it is difficult to obtain basic data for calculation of the premium such as settlements of accounts for the purpose of collecting premium pursuant to Article 65(3) and 67(3), calculate, levy, and collect the premium for the concerned business as determined by the Ordinance of the Ministry of Labor, using a similar business to the business of the insured in terms of size, wage level, and sales amounts. <Newly inserted by Act No. 6100, Dec. 31, 1999>

Article 68 (Special Case of Report, Payment and Liquidation of Final Premium)
(1) Notwithstanding the provisions of Article 62, in case of a construction work, etc. the period of which is fixed, and which corresponds to the scale as determined by
the Presidential Decree, if the ratio of the insurance benefits to the final premium amount is more than 85/100 or not more than 75/100, the Corporation shall determine an amount obtained by increasing or decreasing it by the ratio as determined by the Presidential Decree, in the limit of 50/100 on the basis of the final premium amount, as the amount of the premium to be paid by the insured with respect to the business. In this case, if there is any amount of insurance benefits to be paid even after the end of each insurance year or the day on which the insurance relation is extinguished, the calculation method of the insurance benefits amount shall be determined by the Presidential Decree. <Amended by Act No. 5398, Aug. 28, 1997>

(2) If the amount of the estimated premium paid or collected additionally under Article 65 or 66 (1), exceeds the amount of the premium calculated under paragraph (1), the Corporation shall return the excess amount to the insured, and if short, the insured shall pay the shortage within such period as determined by the Presidential Decree.

(3) If the insured fails to make the report as prescribed in Article 67 (1), or his report is different from the fact, the Corporation shall, after investigating the fact, calculate the amount of final premium as referred to in paragraph (1).

(4) In case where the Corporation has calculated the amount of the final premium under paragraph (3), if the insured fails to pay the estimated premium, the Corporation shall collect the final premium in full, and if the insured has paid the estimated premium, and the amount thereof exceeds the amount of the final premium, the Corporation shall return the excess amount to the insured, and if the paid-in amount of the estimated premium is short of the amount of the final premium, the Corporation shall collect the shortage.

Article 69 (Appropriation and Return of Amount of Premium, etc., paid in Excess)

(1) If the Corporation desires to return any amount paid by the insured as premium, or other levies and disposition fees for the arrears under this Act, which is paid by mistake, or the amount paid in excess under Article 66, 67(2) and (4), or 68(2) and (4), or when it has to pay the insurance benefits prescribed in Article 55-2 to the insured, it shall appropriate the amounts in priority for the premium, and other charges to be collected under this Act, according to such order as determined by the Presidential Decree and return the balance to the insured. <Amended by Act No. 6100, Dec. 31, 1999>

(2) When the Corporation appropriates the amount paid by mistake or in excess for the premium or charges under this Act, or returns it to the insured, under paragraph (1), it shall add the amount calculated at such interest rate as determined by the Presidential Decree, for the period from the day following the day as referred to in any of the following subparagraphs, to the day on which the decision to appropriate or return the amount is made, to the amount paid in mistake or in excess:

1. In case of a payment in mistake, double payment, or excess amount resulted from the cancellation of levy or the decision on rectification after payment, the date of payment;
2. In case of an excess amount resulting from a reduction of the premium upon
application for reduction of amount as prescribed in Article 66 (2), seven days after
the application for reduction of estimated premium is received; and
3. In case of a return under Article 67 (2) and (4) or 68 (2) and (4), seven days after
the report on the final premium is received.

Article 70 (Collection of Additional Dues)
The Corporation shall, upon collecting the premium under Article 67 (4) or 68 (4),
collect as additional dues the amount equivalent to 10/100 of the premium to be
collected, except in case where the amount of the additional dues is small or it is
deemed improper to collect it, as prescribed by the Presidential Decree, or for the
portion exceeding the amount as prescribed by the Presidential Decree. <Amended
by Act No. 6100, Dec. 31, 1999>

Article 71 (Collection of Arrearage)
(1) The Corporation shall, when the insured does not pay the premium or other
charges under this Act until the payment deadlines pursuant to Article 65 through 68,
collect, within the range not exceeding 60 months, the arrearage per month in
consideration of arrearage interest rate of banks as prescribed by the Presidential
Decree, except in case where the amount of the arrearage is small or it is deemed
improper to collect it, as prescribed by Presidential Decree. <Amended by Act No.
6100, Dec. 31, 1999>
(2) Deleted(by Act No. 6100, Dec. 31, 1999)
(3) Deleted(by Act No. 6100, Dec. 31, 1999)

Article 72 (Collection of Insurance Benefits from Insured)
(1) If the Corporation pays any insurance benefits for the following accidents, it
may collect the whole or part of such benefits from the insured under the conditions
as prescribed by the Presidential Decree: <Amended by Act No. 6100, Dec. 31,
1999>
1. Accident taken place during the period in which the business owner neglects to
make the report on an effectuation of insurance contract as prescribed in Article 12;
and
<Amended by Act No. 6100, Dec. 31, 1999>
2. Accident taken place during the period in which the insured neglects to pay the
premium.
(2) The Corporation shall, upon deciding to collect the whole or part of the
insurance benefits under paragraph (1), notify it without delay to the insured.

Article 73 (Urging to Pay Charges)
(1) The Corporation, in case of collecting the charges pursuant to this Act, shall
notify in advance the person liable for payment of the payment requests. <Newly
Inserted by Act No. 6100, Dec. 31, 1999>
(2) The Corporation, when a person liable for payment does not pay the charges
despite the notification to pay them pursuant to paragraph (1), shall urge the person
to pay the charges within a fixed period of time. <Amended by Act No. 6100, Dec.
31, 1999>
(3) The Corporation, when urging the payment pursuant to paragraph (2), shall issue
a demand note. In this case, 10 days or more shall be given for payment. <Amended
by Act No. 6100, Dec. 31, 1999>
Article 74 (Disposition of Arrears of Charges)

(1) The Corporation may, when the person urged to pay pursuant to Article 73 does not pay the premium and other charges prescribed by this Act within the fixed period, collect them in accordance with the examples of the disposition of national tax arrears, with the approval of the Minister of Labor.

(2) When the Corporation deems that expertise is needed for public sale of the assets confiscated according to examples of the disposition of arrears pursuant to paragraph (1) or special conditions do not allow the public sale, it may have the asset management corporation established under the Act on Effective Liquidation of Financial Institutions' Non-performing Assets and the Foundation of the Asset Management Corporation (hereinafter referred to as "Korea Asset Management Corporation") sell those assets as determined by the Presidential Decree. In that case, the public sales shall be deemed to have been carried out by the Corporation. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

(3) The Corporation may pay commission to the Korea Asset Management Corporation according to the ordinance of the Ministry of Labor, in the case that the Korea Asset Management Corporation publicly sells assets under the provision of paragraph (2). <Newly Inserted by Act No. 6100, Dec. 31, 1999>

(4) In case the Korea Asset Management Corporation publicly sells assets under the provision of paragraph (2), staff of the Korea Asset Management Corporation shall be regarded as public officials in applying Article 129 through Article 132 of the Criminal Code. <Newly Inserted by Act No. 6100, Dec. 31, 1999>

Article 75 (Deficits Disposal of Dues to be Collected)

(1) The Corporation may make a deficits disposal of the premium and other dues to be collected under this Act with the approval of the Minister of Labor, in the following cases:

1. Where the disposition of arrears is closed, but the distributed amount to be appropriated for the arrearage is short of such arrearage;
2. Where the extinctive prescription on the right is completed; and
3. Where it is deemed unexpected to be collected, and it is prescribed by the Presidential Decree.

(2) If the Corporation finds after making a deficits disposal under subparagraph 3 of paragraph (1), that there was other property to be seized, it shall cancel without delay the disposition, and make disposition for arrears.

Article 76 (Priority in Collection of Premium)
The priority order in collection of the premium and other dues to be collected under this Act, shall be the next to the national and local taxes.

Article 77 (Service of Documents)
The provisions of Articles 8 through 12 of the Basic National Tax Act shall be applicable to the service of documents concerning the premium and other dues to be collected under this Act.

Article 77-2 (Special Cases of Collecting Premiums and Charges)

(1) The Corporation shall collect in consolidation the premium and other charges pursuant to this Act and the liability and other charges pursuant to Article 8 and
Article 14 of the Wage Claim Guarantee Act, respectively.

(2) A business owner shall collectively report and pay the premium under this Act and the liability under Article 8 of the Wage Claim Guarantee Act (hereinafter referred to as the "premium, etc.").

(3) In case a business owner pays the premium, etc. pursuant to paragraph (1) and (2), the premium and the liability corresponding to the business owner's portion among the total amount paid shall be considered to have been paid.

(4) The provision of paragraph (3) shall be applied mutatis mutandis to the arrears and additional charges of the premium, etc.

(5) The Corporation shall pay the proportions paid as the premium or the liability (including arrears and additional charges) as prescribed in paragraph (1) and (2), to the fund provided by Article 80 and to the fund provided by Article 15 of the Wage Claim Guarantee Act, respectively. In this case, the criteria and methods of the calculation shall be determined by the Presidential Decree.

<Newly Inserted by Act No. 6100, Dec. 31, 1999>

CHAPTER VI

Labor Welfare Projects

Article 78 (Labor Welfare Projects)

(1) The Minister of Labor shall carry out the following projects to improve the workers' welfare:
1. Establishment and operation of the following insurance facilities to promote a smooth social reintegration of workers affected by occupational accidents:
   (a) Facilities for medical treatment and post-surgery care; and
   (b) Facilities for medical or occupational rehabilitation.
2. Projects for promoting the welfare of the affected workers and their survivors, such as scholarship project, etc.; and
3. Establishment and operation of other facilities for promoting the welfare of workers.

(2) The Minister of Labor may have the Corporation or any juristic person of those established for promoting the welfare of the accident-suffered workers, which is designated by the Minister of Labor (hereinafter referred to as the "designated juristic person"), carry out the projects as referred to in paragraph (1), or may entrust it with the operation of the insurance facilities as referred to in subparagraph 1 of the said paragraph.

(3) Matters necessary for the criteria for designation of the designated juristic person as referred to in paragraph (2), shall be determined by the Ordinance of the Ministry of Labor.

(4) The Minister of Labor may assist part of the expenses for the projects of the designated juristic person, in the limit of the budget.

Article 79 (Promotion of Employment of the Physically Disabled)
The Minister of Labor shall recommend the insured to employ accident-suffered
workers receiving the disability benefits, in any works suitable to their aptitude, taking into consideration the degree of their disability, or he shall take other necessary measures.

CHAPTER VII

Industrial Accident Compensation Insurance Fund

Article 80 (Establishment and Formation of Fund)
(1) In order to secure the revenue source necessary for the insurance project and to appropriate for the insurance benefits, the Minister of Labor shall establish the Industrial Accident Compensation Insurance Fund (hereinafter referred to as the “Fund”).
(2) The Fund shall be formed with the premiums, proceeds accruing from operation of the Fund, reserve funds, surplus resulted from the settlement of accounts of the Fund, contribution and loan from other Funds, and other revenues.

Article 81 (Use of Fund)
The Fund shall be used for any of following purposes:
1. Payment of the insurance benefits and return of the refund;
2. Redemption of any loan and interest thereof;
3. Contribution to the Corporation;
4. Contribution to the Industrial Accident Prevention Fund as prescribed by the Industrial Safety and Health Act;
5. Promotion of the welfare of the workers suffering from the accidents; and
6. Other insurance projects and the management and operation of the Fund.

Article 82 (Management and Operation of Fund)
(1) The Fund shall be managed and operated by the Minister of Labor.
(2) The Minister of Labor shall manage and operate the Fund by any of following methods:
1. Deposits and money trust in financial institutions or communication agencies;
2. Deposits in the financial funds;
3. Purchase of any profit-making securities, such as investment trust, etc.;
4. Purchase of any securities issued directly, or the performance of obligation for which is guaranteed, by the State, local government or financial institutions; and
5. Other projects as determined by the Presidential Decree for increasing the Fund.
(3) In managing and operating the Fund under paragraph (2), the Minister of Labor shall make efforts to make the proceeds be more than such level as determined by the Presidential Decree.
(4) The Minister of Labor shall make accounts of the Fund according to the principles of the enterprise accounting.
(5) The Minister of Labor may entrust the Corporation with part of affairs concerning the management and operation of the Fund.

Article 83 (Operational Plan of Fund)
(1) The Minister of Labor shall establish each fiscal year the Fund operational plan
Article  84  (Accumulation of Legal Liability Reserve)
(1) The Minister of Labor shall accumulate the legal liability reserve to appropriate for the insurance benefits.
(2) If the holdings of reserve funds exceeds the legal liability reserve after calculating the legal liability reserve each fiscal year, the Minister of Labor shall use the excess amount as revenue source for payment of the future insurance benefits, and if short, accumulate the shortage from the revenues of premiums.
(3) Matters necessary for the calculation basis and the accumulation of the legal liability reserve as referred to in paragraph (1), shall be determined by the Presidential Decree.

Article  85  (Settlement of Surplus and Loss)
(1) If any surplus results from a settlement of accounts of the Fund, it shall be deposited as reserve funds.
(2) If any loss results from a settlement of accounts of the Fund, it may be made up using the reserve funds.

Article  86  (Loan)
(1) If it is required to disburse any expenses belonging to the Fund, any loan may be made at the expense of the Fund.
(2) If there is any shortage in the cash for disbursement in the Fund, any temporary loan may be made at the expense of the Fund.
(3) The temporary loan as referred to in paragraph (2) shall be redeemed in the current fiscal year.

Article  87  (Receipts, Disbursements, etc., of Fund)
Matters concerning the procedure, etc. of receipts and disbursements in the management and operation of the Fund, shall be determined by the Presidential Decree.

CHAPTER VIII
Request for Examination and Re-examination

Article  88  (Request for Examination)
(1) Any person who is dissatisfied with a decision on the insurance benefits, may make a request for examination against the Corporation.
(2) The request for examination as referred to in paragraph (1) shall be made against the Corporation through the organization under the control of the Corporation, which has made the decision on the insurance benefits concerned.
(3) The request for examination as referred to in paragraph (1) shall be made within 90 days after the decision on the insurance benefits is informed. <Amended by Act No. 5398, Aug. 28, 1997>
(4) The organization under the control of the Corporation shall, upon receiving the request for examination under paragraph (2), send it to the Corporation together with its written opinion within five days.

(5) No administrative appeal as prescribed by the Administrative Appeals Act may be made against any decision on the insurance benefits.

Article 89 (Deliberation and Decision on Request for Examination)

(1) The Corporation shall make a decision on the request for examination within fifty days after it received the written request for examination under Article 88 (4): Provided, That if it is impossible to make a decision within such period due to inevitable reasons, the period may be extended only once in the limit not exceeding ten days.

(2) If it is required for deliberating the request for examination, the Corporation may take upon request of the person making the request for examination, or ex officio, the following measures:
1. To have the person making the request or interested person attend the designated place, in order to ask any question or to have him state his opinion;
2. To have the person making the request or interested person present any documents or other things as evidence;
3. To have a third person of any expertise or experience make an appraisal;
4. To have any employee under the Corporation enter any business place or other place related to the case in question, and ask any questions of the business owner, workers and other interested persons, or inspect any documents and other things; and
5. To have any worker related to the request for examination undergo the diagnosis of a doctor, dentist, or oriental medicine doctor designated (hereinafter referred to as the "doctor") by the Corporation. <Amended by Act No. 6100, Dec. 31, 1999>

(3) Any employee under the Corporation, who conducts the question or inspection as referred to in subparagraph 4 of paragraph (2), shall show the certificate indicating his competence to the interested persons.

Article 90 (Request for Re-examination)

(1) Any person who is dissatisfied with a decision on the request for examination as prescribed in Article 89 (1), may make a request for reexamination to the Industrial Accident Compensation Insurance Examination Committee as prescribed in Article 91.

(2) The request for reexamination as referred to in paragraph (1) shall be made to the Industrial Accident Compensation Insurance Examination Committee through an organization under the control of the Corporation, which has made the decision on the insurance benefits.

(3) The request for reexamination as referred to in paragraph (1) shall be made within 90 days after the decision on the request for examination is informed. <Amended by Act No. 5398, Aug. 28, 1997>

(4) The provisions of Article 88 (4) shall be applicable to the request for reexamination. In this case, the term "written request for examination" shall be read as the term "written request for review", and the term "Corporation", as the term "Industrial Accident Compensation Insurance Examination Committee", 
Article 91 (Industrial Accident Compensation Insurance Examination Committee)

(1) In order to deliberate and decide the request for reexamination as prescribed in Article 90, the Industrial Accident Compensation Insurance Examination Committee (hereinafter referred to as the “Examination Committee”) shall be established in the Ministry of Labor.

(2) The Examination Committee shall be composed of 30 members or less, including the chairman, but two members shall be permanent members, and one, an ex officio member. <Amended by Act No. 6100, Dec. 31, 1999>

(3) The 1/3 of the members of the Examination Committee members shall be composed of persons prescribed in subparagraph 6 of paragraph (4). In this case, the number of the members recommended by workers’ and employers’ organizations shall be equal. <Amended by Act No. 6100, Dec. 31, 1999>

(4) The members of the Examination Committee shall be appointed by the President upon proposal of the Minister of Labor, from among the following persons: Provided, That the ex officio member shall be one nominated by the Minister of Labor from among public officials of Grade II or III in general service under his jurisdiction; <Amended by Act No. 6100, Dec. 31, 1999>

1. Those who are or were in office as public officials of Grade III or higher;
2. Judges, public prosecutors, lawyers, or certified public labor practitioners, having 10 years or more of experiences;
3. Those who are or were in office as associate professor or higher at colleges as prescribed by the Higher Education Act;
4. Those who have been engaged in labor-related services for 15 years or more and are considered appropriate to be a member of the Examination Committee;
5. Those highly educated and experienced in social insurance or industrial medical science, and are considered appropriate to be a member of the Examination Committee;
6. Those recommended by workers’ and employers’ organizations respectively among those in subparagraphs 2 through 5.

(5) No person who falls under any of the following subparagraphs, may be appointed as member:
1. A person who is incompetent or quasi incompetent, or who has been declared bankrupt, but not reinstated yet;
2. A person who was sentenced a penalty of imprisonment without forced labor and heavier, and for whom three years have not passed after the execution of the penalty was completed or after the decision that the person shall not undergo the penalty was made.
3. A person who is non-compos or feeble-minded.
(6) The term of members (excluding the ex officio member) shall be three years, but renewable; Provided, That the term of a member filling a vacancy shall be the remaining period of his predecessor’s term.

(7) No member shall be dismissed from his office against his will except in the following cases:
1. Where he is sentenced to a penalty heavier than imprisonment without forced labor; and
2. Where he becomes unable to carry out his duties due to a nervous breakdown for a long period.

(8) The Examination Committee shall have a secretariat.
(9) Matters necessary for the organization, operation, etc., of the Examination Committee and the secretariat, shall be determined by the Presidential Decree.

Article 92 (Deliberation and Ruling on Request for Review)
(1) The provisions of Article 89 shall be applicable to deliberation and decision on the request for reexamination. In this case, the term “Corporation” shall be read as the term “Examination Committee”; the term “request for examination”, as the term “request for reexamination”; the term “decision”, as the term “ruling”; and the term “employee under its jurisdiction”, as the term “member of the Examination Committee” respectively.
(2) The ruling of the Examination Committee shall bind the Corporation.

Article 93 (Succession to Status of Person requesting Examination and Re-Examination)
In the event that the person requesting the examination or reexamination is dead, and if he is a beneficiary of the insurance benefits, his status shall be succeeded by the survivors as prescribed in Article 43(1) or 50, and if not, by his heir or a person who has succeeded to the right or interest related to the insurance benefits which are the object of the request for examination or reexamination.

Article 94 (Relation with Other Acts)
(1) With respect to an interruption of prescription, the institution of a request for examination or reexamination as prescribed in Article 88 or 90, shall be considered as a judicial request as prescribed in Article 168 of the Civil Act.
(2) In application of Article 18 of the Administrative Litigation Act, any ruling on a request for reexamination as prescribed in Article 90 shall be considered as a ruling on the administrative appeal.
(3) Matters concerning the request for examination or reexamination as prescribed in Article 88 or 90, which are not provided by this Act, shall be subject to the provisions of the Administrative Appeals Act.

CHAPTER IX
Provisions

Article 95 (Notification)
If the Corporation desires to collect the premiums and other dues to be collected under this Act, it shall notify in writing the insured of the amount and the payment term, under the conditions as prescribed by the Ordinance of the Ministry of Labor.

Article 96 (Prescription)
(1) If the right to collect the premiums and other dues to be collected under this Act,
and the right to receive the return thereof or receive the insurance benefits, has not been exercised for three years, the extinctive prescription shall be completed.

(2) Except as provided by this Act, the extinctive prescription as referred to in paragraph (1) shall be subject to the provisions of the Civil Code.

Article 97 ( Interruption of Prescription)

(1) The extinctive prescription as prescribed in Article 96, shall be interrupted by the following reasons:
1. Request as prescribed in Article 38 (2) or 69 (1);
2. Demand as prescribed in Article 73, or notification as prescribed in Article 95; and
3. Request for grant making according to the procedure of disposition of arrears as prescribed in Article 74.

(2) The extinctive prescription interrupted under paragraph (1) shall begin to run anew at the expiration of any of the following periods:
1. Period of payment determined by a demand;
2. Period of payment notified under Article 95; and
3. Period in which a request for grant is made.

Article 98 ( Extinctive Prescription of Final Premium)
The extinctive prescription of the final premium as prescribed in Article 67, shall begin to run from the first day of the following insurance year (in case of a business whose insurance relation is extinguished during the insurance year, the day following the day on which the insurance relation is extinguished).

Article 99 ( Report, etc.)

(1) If it is deemed necessary, the Corporation may demand the owner of the business to which this Act applies, or workers who are engaged in the business, and insurance affairs association, to make a report necessary for the insurance project, or to present related documents, under the conditions as prescribed by the Presidential Decree.

(2) Any person who is entitled to receive the disability or survivors’ compensation annuity, shall report to the Corporation the matters necessary for the payment of insurance benefits and prescribed by the Presidential Decree.

(3) A person who has or had the rights to receive the benefits shall report the matters related to changes in the rights as determined by the Presidential Decree to the Corporation. <Amended by Act No. 6100, Dec. 31, 1999>

(4) When a person with the rights to receive the benefits dies, those who are required to report pursuant to Article 88 of the Family Registration Law shall report the death within one month to the Corporation.

Article 100 ( Assistance of Business Owner)

(1) If a person who is entitled to receive the insurance benefits, finds it difficult to proceed with the procedures for the claim, for the claim, etc. for the insurance benefits, due to any accident, the owner of the business shall provide assistance.

(2) If a person who is entitled to receive the insurance benefits, demands the certification necessary for receiving it, the owner of business shall provide such certificate.

(3) If it is impossible to provide the certification as referred to in paragraph (2) due
to a missing of the business owner, or for other inevitable reason, the certification may be omitted.

Article 101 (Inspection)
(1) If it is deemed necessary, the Corporation may have its own employees enter the office or place of the business to which this Act applies, and the office of the insurance affairs association, ask any questions or inspect related documents.
(2) In the case as referred to in paragraph (1), the employee of the Corporation shall show a certificate indicating his authority to the interested person.

Article 102 (Report and Inspection)
(1) If it is deemed necessary in relation to the insurance benefits, the Corporation may have, a doctor in charge of a diagnosis of a worker who receives the insurance benefits as determined by Presidential Decree, report on the diagnosis of the worker or submit the diagnosis-related documents or materials, or have its own employees question the doctor concerned or inspect the related documents or materials.
<Amended by Act No. 6100, Dec. 31, 1999>
(2) The provisions of Article 101 (2) shall be applied mutatis mutandis to the inspection as referred to in paragraph (1).

Article 103 (Demand for Medical Examination)
If it is deemed necessary for any insurance benefits, the Corporation may demand any person who receives, or desires to receive, any insurance benefits, to undergo a medical examination at the medical care institution designated by the Corporation, under the conditions as prescribed by the Presidential Decree.

Article 104 (Temporary Suspension of Insurance Benefits)
If a person who desires to receive any insurance benefits, fails to fulfill the responsibility for making the report, etc. as prescribed by this Act, or to fulfill any matters demanded by the Corporation, the Corporation may suspend temporarily the payment of the insurance benefits.

Article 105 (Special Case as to Overseas Business)
(1) In a bid to compensate for the accidents occurred during the period of workers’ overseas stay for work, it shall be permitted to have a person (hereinafter referred to as the “insurance company”) designated by the Minister of Labor after consultation with the Financial Supervisory Commission run at the person's own account the insurance project under this Act in the case of the business conducted in a country or an area as prescribed by a treaty or a convention (hereinafter referred to as the “social security-related treaty”) related to social security to which Korea is a party or by Presidential Decree. <Amended by Act No. 5505, Jan. 13, 1998>
(2) The insurance company as referred to in paragraph (1) shall operate the insurance project in accordance with the business method as prescribed by the Insurance Business Act. In this case, the insurance benefits paid by the insurance company shall not be unfavorable for the workers compared with those as prescribed by this Act.
(3) The insurance company operating the insurance project under paragraph (1), shall fulfill faithfully all responsibility to be borne by the Government under this Act and the social security related treaty for the sake of workers.
(4) The provisions of Articles 2, 3 (1), 5 (proviso), 6, 51, 63, 64, and Chapters 7 and
8 shall not be applicable to the overseas business as referred to in paragraph (1) and the insurance project aiming at such business.

(5) In operating the insurance project as referred to in paragraph (1), the insurance company may exercise the power of the Corporation as prescribed by this Act.

**Article 105-2 (Special Cases for Workers Dispatched Overseas)**

(1) In case an insured pursuant to Article 7 makes an application to the Corporation to insure a worker (hereinafter referred to as the "overseas-dispatched worker") who will be dispatched to work for a business conducted in a place (excluding places determined by the Ordinance of the Ministry of Labor) outside of Korea and gets approval, this Act may apply by considering the overseas-dispatched worker as one used in a business (in case there are two businesses or more, it refers to the main business) of the insured inside Korea.

(2) The wages amount which becomes the basis for the premium calculation and the insurance benefits payment for an overseas-dispatched worker shall be the one determined by the Minister of Labor in consideration of the wages amount of workers employed in the same occupation of the concerned business and other circumstances, and the premium rate shall be determined by the Minister of Labor by taking into account the accident rate of overseas-dispatched workers and the accident compensation amount required.

(3) Matters on the insured' application for insurance subscription, approval, report and payment of the premium, payment of the insurance benefits and other necessary subjects shall be determined by the Ordinance of the Ministry of Labor.

(4) The provisions of Article 7(3) and (4), subparagraph 2 of Article 10, and Article 11 shall be applied mutatis mutandis to the cancellation of the insurance contract for the overseas-dispatched worker. <Amended by Act No. 6100, Dec. 31, 1999>

**Article 105-3 (Special Cases for On-the-Job Trainees)**

(1) Among students and vocational trainees taking on-the-job training (hereinafter referred to as the "on-the-job trainees") in a business subject to this Act, the on-the-job trainees as determined by the Minister of Labor shall be considered as workers employed in the business when applying this Act despite the provisions of subparagraph 2 of Article 4.

(2) An accident suffered by the on-the-job trainees during the training shall be considered work-related accident, and accordingly, the insurance benefits shall be paid pursuant to each subparagraph of Article 38(1). <Amended by Act No. 6100, Dec. 31, 1999>

(3) The wages amount which becomes the basis for the premium calculation and the insurance benefits payment for on-the-job trainees shall be the money and goods such as training allowances received by the trainees, but if applying this is not appropriate for the compensation of the accident suffered by the on-the-job trainees or when there is a difficulty in calculating the premium, an amount determined by the Minister of Labor may be used as the wages amount.

(4) The report and payment of the insurance premium for on-the-job trainees, the payment of insurance benefits, and other necessary matters shall be determined by Presidential Decree.

**Article 105-4 (Special Cases for Business Owners of Small and Medium Size Businesses)**
Businesses)
(1) An insured business owner of a small and medium size business as determined by Presidential Decree may insure himself/herself or his surviving family as beneficiaries with approval from the Corporation. In this case, despite the provisions of subparagraph 2 of Article 4, the concerned insured business owner shall be considered as a worker in applying this Act.
(2) The scope of work-related accidents due to which the insurance benefits are paid to the business owners of small and medium size businesses pursuant to paragraph (1) shall be determined by the Ordinance of the Ministry of Labor.
(3) The wages amount and the average wages which become basis for calculation of the insurance premium and benefits for business owners of small and medium size businesses pursuant to paragraph (1) shall be those notified by the Minister of Labor, and the premium rate shall be the one used for the business concerned.
(4) In case the work-related accidents pursuant to paragraph (2) occurred during the period when the premium has not been paid in due time, the whole or part of the insurance benefits for the accident concerned may not be paid as determined by Presidential Decree.
(5) For business owners of small and medium size businesses who intend to be insured pursuant to paragraph (1), the application and approval for the insurance, report and payment of the insurance premium, payment of insurance benefits, and other necessary matters shall be determined by the Ordinance of the Ministry of Labor.
(6) The provisions of Article 7(3) and (4), Article 8(2), subparagraph 2 of Article 10, and Article 11 shall be applied mutatis mutandis to the establishment and termination of insurance relationship for the business owners of small and medium size businesses pursuant to paragraph (1).

CHAPTER X
Penal Provisions

Article 106 (Fine for Negligence)
(1) Any person who uses a similar title in contravention of the provisions of Article 36, or who fails to make the report as prescribed in Articles 12(2) and 65(1) and (2), or makes a false report, shall be punished by a fine for negligence not exceeding one million won. <Amended by Act No. 6100, Dec. 31, 1999>
(2) Any person who falls under any of the following subparagraphs, shall be punished by a fine for negligence not exceeding five hundred thousand won:
1. A person who fails to keep the books or other documents as prescribed in Article 61, or who makes a false entry;
2. A person who fails to answer to any question as prescribed in Article 89 (2) (including in case where it is applicable under Article 92 (1)), or who makes a false answer, or refuses, interferes with, or evades, any inspection;
3. A person who fails to make the report as prescribed in Article 99 (1) or 102, or who makes a false report;
4. A person who fails to comply with an order to present documents or things as prescribed in Article 99 (1) or 102; and
5. A person who refuses to answer to any question, or refuses, interferes with, or evades any inspection, conducted by an employee of the Corporation, under Article 101 or 102.
(3) The fine for negligence as referred to in paragraph (1) or (2) shall be imposed and collected by the Minister of Labor, under the conditions as prescribed by the Presidential Decree.
(4) Any person who is dissatisfied with the disposition of the fine for negligence as referred to in paragraph (3), may make an objection against the Minister of Labor within thirty days after he is informed of such disposition.
(5) If the person who is subject to a disposition of the fine for negligence as referred to in paragraph (3), has made an objection under paragraph (4), the Minister of Labor shall notify it without delay to the competent court, which shall, upon receiving the notification, bring the case of the fine for negligence into a trial under the Non-Contentious Case Litigation.
(6) If no objection is made, and no fine for negligence is paid, in the period as referred to in paragraph (4), it shall be collected in the manner similar to the examples of a disposition of national tax in arrears.

Addenda

Article 1 (Enforcement Date)
This Act shall enter into force on May 1, 1995; Provided, That the provisions of Articles 3, 4 and 8 of this Addenda shall enter into force on the date of the promulgation of the Act.

Article 2 (Repeal of Other Acts)
The following Acts shall hereby be repealed:
1. The Korea Labor and Welfare Corporation Act;
2. The Act on Special Accounts for Industrial Accident Compensation Insurance; and
3. The Act on Operations of Industrial Accident Compensation Insurance and their Inspection.

Article 3 (Preparation of Establishment)
(1) In order to manage affairs concerning the establishment of the Corporation, the Minister of Labor shall commission not more than seven establishing members, within thirty days after this Act is promulgated.
(2) The establishing member shall prepare the articles of incorporation to obtain the authorization of the Minister of Labor.
(3) The establishing member shall make a registration of incorporation of the Corporation under joint signature at the enforcement date of this Act, with the authorization as referred to in paragraph (2).
(4) The establishing member shall, after finishing the registration of incorporation,
transfer without delay the affairs to the chairman of the Corporation.

(5) The establishing member shall be considered to have been decommissioned when the transfer of affairs is completed under paragraph (4).

Article 4 (Expenses for Establishment)
The expenses for establishment of the Corporation shall be borne by the Korea Labor Welfare Corporation as prescribed by the Korea Labor Welfare Corporation Act at the time this Act enters into force: Provided, That the expenses may be assisted by the Industrial Accident Compensation Insurance Fund.

Article 5 (Transitional Measures concerning Korea Labor and Welfare Corporation)

(1) The Korea Labor and Welfare Corporation shall be dissolved at the date at which the Korea Labor and Welfare Corporation Act is repealed, and the property, right, obligation and employment relations of the Korea Labor and Welfare Corporation shall be succeeded generally by the Corporation.

(2) The contribution of the Government at the time the Korea Labor and Welfare Corporation is dissolved, shall be considered to be contributed to the Corporation at the date at which the Korea Labor Welfare Corporation is dissolved.

(3) The title of the Korea Labor Welfare Corporation indicated on the register and other public books as to the right and obligation succeeded generally under paragraph (1), shall be considered as the title of the Corporation.

(4) The value of the property succeeded generally under paragraph (1) shall be the book value on the day preceding the day on which the Corporation is registered.

Article 6 (Transitional Measures concerning Property in Special Accounts for Industrial Accident Compensation Insurance)
Any property, right and obligation in the special accounts for industrial accident compensation insurance as prescribed by the Special Accounts for Industrial Accident Compensation Insurance Act at the time this Act enters into force, shall be succeeded generally to the Fund.

Article 7 (Transitional Measures concerning Disposition and Request for Examination, etc.)

(1) Any act performed by or to the Minister of Labor or the Labor and Welfare Corporation before this Act enters into force, in connection with affairs entrusted to the Corporation under this Act, shall be considered as an act performed by or to the Corporation under this Act, respectively.

(2) Any request for examination or review made under the previous Act relating to Industrial Accident Compensation Insurance Affairs and Examination, before this Act enters into force, shall be considered as those made under this Act, respectively.

Article 8 (Transitional Measures concerning Establishment of Fund Operational Plan)
The Minister of Labor shall establish the Fund operational plan for 1995 after consulting with the Minister of the Economic Planning Board, and obtain the approval of the President through a deliberation of the State Council, not later than April 30, 1995.

Article 9 (Dispatch of Public Officials)

(1) If it is deemed necessary for a smooth operation of the insurance project, the
Corporation may request the Minister of Labor to dispatch public officials under his jurisdiction.

(2) The Minister of Labor may, upon receiving a request for dispatch under paragraph (1), dispatch public officials under his jurisdiction in the limit of three years from the date at which the Corporation is established.

Article 10
Omitted.

Article 11 (Relations with Other Laws)
(1) In case the previous Industrial Accident Compensation Insurance Act, the Act on Special Accounts for Industrial Accident Compensation Insurance, the Act on Work and Inspection of the Industrial Accident Compensation Insurance, the Korea Labor Welfare Corporation Act or the provisions of them are cited in other laws at the time of enforcement of this Act, and if there are Articles corresponding to them in this Act, it shall be considered that this Act or the corresponding Articles of this Act is cited, in place of the previous provisions.
(2) In case other laws cite the Korea Labor Welfare Corporation pursuant to the previous Korea Labor Welfare Corporation Act at the time of enforcement of this Act, it shall be considered that the laws cite the Korea Labor Welfare Corporation pursuant to this Act.

Addenda <Act No. 5398, Aug. 28, 1997>
(1) (Enforcement Date)
This Act shall take effect from Jan. 1, 1998.
(2) (Transitional Measures concerning Overdues)
The overdues for the insurance premium which passed the payment deadline pursuant to Article 65 through 68 shall be calculated by using the number of days until Dec. 31, 1997 and collected despite the revised provisions of Article 71(3).

Addenda <Act No. 5454, Dec. 13, 1997>
This Act shall take effect from Jan. 1, 1998. (proviso omitted)

Addenda <Act No. 5881, Feb. 8, 1999>
(1) (Enforcement Date)
This Act shall take effect from the date of promulgation.
(2) (Transitional Measures)
For a person in the position of the executive director which is to be discontinued by restructuring plan since the enforcement of this Act in accordance with the revised provision of Article 19(1), the term of the person shall be considered ended, despite the provision of Article 20.

Addenda <Act No. 6100, Dec. 31, 1999>
Article 1 (Enforcement Date)
This Act shall take effect from July 1, 2000. However, the revised provisions of Article 41(2), Article 44(3) and Article 77-2 shall enter into force from Jan. 1, 2001.

Article 2 (Transitional Measures concerning the Insurance Relations Establishment Date)
An insurance relation of a person who submitted insurance application by the previous provisions at the time of enforcement of this Act and obtained approval from the Corporation after the date of enforcement of this Act shall be considered to have been established in accordance with the revised provisions of Article 10.

Article 3 (Special Cases for Report of Insurance Relations Establishment)
When a business which was not subject to the Industrial Accident Compensation Insurance at the time of enforcement of this Act (including the Presidential Decree) becomes subject to the Insurance with enforcement of this Act, the owner of the business shall submit the insurance relations establishment report by August 14, 2000, despite the provisions of Article 12.

Article 4 (Transitional Measures concerning the Term of the Auditor)
The term of the Corporation's auditor appointed by the previous provision at the time of enforcement of this Act shall be pursuant to the previous provision despite the revised provision of Article 20.

Article 5 (Transitional Measures concerning the Industrial Accident Medical Care Services Center)
The Industrial Accident Medical Care Services Center, a foundation, which was established pursuant to the provisions of Civil Code at the time of enforcement of this Act, shall be considered a management entity established pursuant to the revised provisions of Article 35(2) of this Act.

Article 6 (Transitional Measures concerning Special Cases of Average Wages Calculation for Workers Engaging in Unique Type of Work)
A person who suffered work-related accident pursuant to subparagraph 1 of Article 4 prior to the date of enforcement of this Act shall be subject to the previous provision despite the revised provision of Article 38(4).

Article 7 (Transitional Measures concerning the Maximum Compensation Base Amount)
A person who suffered work-related accident pursuant to subparagraph 1 of Article 4 prior to the date of enforcement of this Act shall be subject to the previous provision until the Dec. 31, 2002, despite the revised provision of Article 38(6).

Article 8 (Transitional Measures concerning the Nursing Benefits)
The revised provisions of Article 42-3 shall be applied from persons who were under medical care pursuant to the previous Article 40 at the time of enforcement of this Act.

Article 9 (Transitional Measures concerning Payment of Shut-Down Benefits in Reduced Amounts for Persons in Certain Age or Older)
(1) A person who suffered work-related accidents pursuant to subparagraph 1 of Article 4 prior to the date of enforcement of this Act shall be subject to the previous provisions despite the revised provisions of Article 41(2) and Article 44(3).
(2) A person who suffered work-related accidents pursuant to subparagraph 1 of Article 4 prior to the date of enforcement of this Act shall be subject to the previous provisions despite the revised provisions of Article 41(3) and Table 3 of Article 44(2).

Article 10 (Application Cases concerning Collection of Additional Charges)
(1) The non-reporting of business commencement or the non-reporting or false reporting of final premium (including the final premium pursuant to Article 68) occurred prior to the date of enforcement of this Act shall be subject to the previous provisions despite the revised provisions of Article 70, subparagraph 1 of Article 72(1) and Article 106(1).
(2) The revised provisions of Article 71 shall be applied from the overdues of the premium whose payment period pursuant to Article 65 through 68 passed after the date of enforcement of this Act.

Article 11 (Transitional Measures concerning the Examination Committee)
Among the members of the Examination Committee which was formed pursuant to the previous provisions at the time of enforcement of this Act, the terms of the members recommended by workers' and employers' organizations shall be considered to have expired on June 30, 2000.

Article 12 (Revision of Other Laws)
(1) The Act on the Prevention of Pneumoconiosis and Protection, etc., of Pneumoconiosis Workers shall be revised as follows: The "subparagraph 2 of Article 4 and Article 38(6) of the Industrial Accident Compensation Insurance Act" in Article 38(2) shall be changed to the "subparagraph 2 of Article 4 and Article 38(5)".
(2) The Wage Claim Guarantee Act shall be revised as follows: Article 3-2 shall be newly inserted as follows and "Article 77" in Article 14 shall be changed to "Articles 77 and 77-2".

Article 3-2 (Application in Mutatis Mutandis) Articles 4-2, 7(2) and (3), 8, and 9 of the Industrial Accident Compensation Insurance Act shall be applied mutatis mutandis to the wage claim guarantee relations.