

INDUSTRIAL ACCIDENT COMPENSATION INSURANCE ACT

Act No. 4826, Dec. 22, 1994

Amended by Act No. 5398, Aug. 28, 1997

Act No. 5454, Dec. 13, 1997

Act No. 5505, Jan. 13, 1998

Act No. 5881, Feb. 8, 1999

Act No. 6073, Dec. 31, 1999

Act No. 6100, Dec. 31, 1999

Act No. 6590, Dec. 31, 2001

Act No. 7049, Dec. 31, 2003

Act No. 7155, Jan. 29, 2004

Act No. 7049, Dec. 31, 2003

Act No. 7155, Jan. 29, 2004

Act No. 7796, Dec. 29, 2005

Act No. 8373, Apr. 11, 2007

Act No. 8435, May 17, 2007

Wholly Amended by Act No. 8694, Dec. 14, 2007

Act No. 8863, Feb. 29, 2008

CHAPTER I

General Provisions

Article 1 (Purpose)

The purpose of this Act is to compensate workers rapidly and fairly for their work-related accidents by carrying out industrial accident compensation insurance activities, to establish and operate insurance facilities to promote the rehabilitation of accident victims and their return to society, and to contribute to the protection of workers by preventing accidents and carrying out other projects for promoting workers' welfare.

Article 2 (Management of Insurance and Insurance Year)

(1) The industrial accident compensation insurance activities (hereinafter referred to as "insurance activities") prescribed by this Act shall be managed by the Minister of Labor.

(2) The insurance year for the insurance activities prescribed by this Act shall be the same as the fiscal year of the Government.

Article 3 (Finance and Support from the State)

(1) The State shall pay the expenses required for

executing affairs about insurance activities from the general account within the limits of its budget every fiscal year.

(2) The State may support part of the expenses required for insurance activities within the limits of its budget every fiscal year.

Article 4 (Insurance Premiums)

The premiums and other charges to be collected to finance the expenses required for insurance activities under this Act shall be subject to the conditions prescribed by the Act on the Collection, etc., of Premiums for Employment Insurance and Industrial Accident Compensation Insurance (hereinafter referred to as "the Insurance Premium Collection Act")

Article 5 (Definition)

Terms used in this Act are defined as follows :

1. The term "work-related accident" means any injuries, diseases, disabilities or death of a worker, which is caused by his/her duties.

2. The term "worker", "wages", "average wages", and "ordinary wages" means the "worker", "wages", "average wages", and "ordinary wages" defined by the Labor Standards Act: Provided that if it is deemed difficult to determine "wages" or "average wages" pursuant to the Labor Standards Act, the amount determined and announced publicly by the Minister of Labor shall be the "wages" or "average wages";

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

4. The term "cure" means reaching the state in which an injury or a disease has been completely cured or no further effect of treatment is expected with its symptoms remaining fixed; and

5. The term "disability" refers to the state in which an injury or a disease has been cured but abilities to work have been lost or decreased due to mental or physical damage.

Article 6 (Scope of Application)

This Act shall apply to businesses or workplaces employing workers(hereinafter referred to as "businesses") : Provided that this Act shall not apply to the businesses determined in the

Presidential Decree in consideration of their hazard rate, size, location, etc.

Article 7 (Establishment and Termination of Insurance Relationship)

The establishment and termination of insurance relationships under this Act shall be subject to the provisions of the Insurance Premium Collection Act.

Article 8 (Industrial Accident Compensation Insurance Deliberation Committee)

(1) In order to deliberate important matters concerning insurance activities, 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 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, an expert committee may be established in the Committee.

(4) Necessary matters concerning the organization and operation of the Committee and an expert committee shall be prescribed by the Presidential Decree.

Article 9 (Survey and Research on Insurance Activities)

(1) The Minister of Labor may conduct a survey or research in order to effectively manage and operate insurance activities.

(2) The Minister of Labor may, if deemed necessary, have some of the works referred to in paragraph (1) conducted by those prescribed in the Presidential Decree.

CHAPTER II

Korea Workers' Compensation & Welfare Service

Article 10 (Establishment of Korea Workers' Compensation & Welfare Service)

In order to efficiently carry out activities aimed at attaining the purpose prescribed in Article 1 under the entrustment of the Minister of Labor, the Korea Workers' Compensation & Welfare Service (hereinafter referred to as the "Corporation") shall be established.

Article 11 (Activities of Corporation)

The Corporation shall carry out the activities described in any of the following subparagraphs :

1. Management and maintenance of records on insurance subscribers and entitled beneficiaries ;
2. Collection of premiums and other charges under the Insurance Premium Collection Act;

3. Decision on and payment of insurance benefits;
 4. Review and decision on a request for examination on decisions, etc., of insurance benefits;
 5. Establishment and operation of industrial accident compensation insurance facilities;
 6. Activities aimed at improving the welfare of workers;
 7. Other activities entrusted by the Government; and
 8. Activities incidental to those as referred to in subparagraphs 5 through 7.
- (2) In order to give advice necessary for carrying out the activities under paragraph (1) 3, an insurance benefit advisory committee composed of relevant experts may be set up in the Corporation.
 - (3) Necessary matters concerning the composition and operation of the insurance benefit advisory committee under paragraph (2) shall be determined by the Corporation.

Article 12 (Legal Personality)

The Corporation shall be a juristic person.

Article 13 (Office)

- (1) The location of the principal office of the Corporation shall be prescribed by its bylaws.
- (2) The Corporation may, if necessary, establish a branch office under the conditions as prescribed by its bylaws.

Article 14 (Bylaws)

- (1) The bylaws of the Corporation shall include the matters described in any of the following subparagraphs:
 1. Objectives;
 2. Title;
 3. Matters concerning its principal and branch offices;
 4. Matters concerning its officers and employees;
 5. Matters concerning its board of directors;
 6. Matters concerning its activities;
 7. Matters concerning its budget and settlement of accounts;
 8. Matters concerning its assets and accounting;
 9. Matters concerning changes in its bylaws;
 10. Matters concerning the enactment, revision and repeal of its internal regulations; and
 11. Matters concerning public notice.
- (2) The bylaws of the Corporation shall be authorized by the Minister of Labor. This provision shall also apply in case

where it is intended to modify them.

Article 15 (Registration of Establishment)

The Corporation shall come into existence by registering its establishment in the area where its principal office is located.

Article 16 (Officers)

(1) The officers of the Corporation shall be fifteen or less directors, including a president and three standing directors, and an auditor.

(2) The president of the Corporation shall be appointed by the President upon proposal of the Minister of Labor, and the standing directors by the Minister of Labor upon proposal of the president : Provided that the ex officio directors shall be excluded from this.

(3) The non-standing directors shall not be paid any remuneration: Provided that they may be paid the actual expenses needed for performing their duties.

Article 17 (Term of Office for Officers)

The president shall serve for a term of three years and the directors and auditor for a term of two years, which may be renewed for one year at a time : Provided that the term of office for the ex officio directors shall be the period during which they are in office.

Article 18 (Duties of Officers)

(1) The president shall represent the Corporation, and be in overall charge of the affairs of the Corporation.

(2) The standing directors shall divide the work of the Corporation between themselves pursuant to the bylaws, and if the president is absent due to an accident, shall perform his/her duties on behalf of him/her in such order as prescribed by the bylaws.

(3) The auditor shall audit the work and accounting of the Corporation.

Article 19 (Disqualification for Officer)

A person who falls under any of the subparagraphs of Article 33 of the State Public Official Act shall not be an officer of the Corporation.

Article 20 (Resignation or Discharge of Officer by Authority)

(1) If an officer falls under Article 19, he/she shall resign.

(2) If an officer falls under any of the following subparagraphs,

the person who has the power to appoint may dismiss him/her:

1. In case where he/she is deemed impossible to perform his/her duties due to any physical or mental disability;
2. In case where he/she violates his/her occupational obligations; and
3. In case where he/she inflicts on purpose or through grave negligence any loss on the Corporation.

Article 21 (Restriction, etc., on Holding Concurrent Office by Officer or Employee)

(1) The permanent officers and employees of the Corporation shall not be engaged in for-profit work other than their duties and the permanent officers shall not hold concurrently another office without obtaining the permission of the Minister of Labor, and the employees, without obtaining the permission of the president.

(2) A person who is or was an officer or employee of the Corporation shall not disclose confidential information acquired while performing duties.

Article 22 (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 president and directors.

(3) The president shall convene the board of directors, and be the presider.

(4) The board of directors shall make a decision with the 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) Necessary matters concerning the operation of the board of directors shall be prescribed by the bylaws.

Article 23 (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 its bylaws.

(2) The chairman may select a representative who has the authority to conduct any judicial or extra judicial act related to affairs of the Corporation, from among the employees, under the conditions as prescribed by the bylaws.

Article 24 (Fiction as Public Official in Application of Penal Provisions)

The officers and employees of the Corporation shall be considered as public officials in applying penal provisions pursuant to Articles 129 through 132 of the Criminal Act.

Article 25 (Direction and Control of Affairs)

(1) The Corporation shall obtain the approval of the Minister of Labor on its operational plans and budget for each fiscal year, under the conditions as prescribed by the Presidential Decree.

(2) The Corporation shall report actual operational results and a statement of accounts to the Minister of Labor within two months after the end of each fiscal year.

(3) The Minister of Labor may order the Corporation to make a report on its activities, check the state of its activities or assets, and if deemed necessary, take measures necessary for supervision, such as ordering a modification of its bylaws, etc.

Article 26 (Accounting of Corporation)

(1) The fiscal year of the Corporation shall be the same as that of the Government.

(2) The Corporation shall account for insurance activities separately from its other activities.

(3) The Corporation shall set accounting rules with the approval of the Minister of Labor.

Article 27 (Borrowing, etc. of Funds)

(1) If it is required for the activities prescribed in Article 11, the Corporation may borrow funds (including borrowing from international organizations, foreign governments or foreigners) with the approval of the Minister of Labor.

(2) If the expenditure exceeds the revenue in connection with insurance activities for each fiscal year, the Corporation may bring in funds from the Industrial Accident Compensation Insurance and Prevention Fund under Article 95 with the approval of the Minister of Labor, within the limits of the legal liability reserve prescribed in Article 99, to finance the shortfall.

Article 28 (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 divide it by type of account, use it to make up for shortfalls, and then reserve the remainder as prescribed in the accounting rules of the Corporation.

Article 29 (Delegation and Entrustment of Authority or Work)

(1) The authority of the president of the Corporation under this Act may be partially delegated to the head of its branch office (hereinafter referred to as "affiliate organization") under

the conditions prescribed in the Presidential Decree.

(2) The work of the Corporation under this Act may be partially entrusted to a postal service agency or financial institution under the conditions prescribed in the Presidential Decree.

Article 30 (Collection of Fees, etc.)

With respect to the activities prescribed in Article 11, the Corporation may have beneficiaries pay the expenses needed for its activities, such as charges for the use of the Corporation's facilities, fees for the entrustment of affairs, etc., with the approval of the Minister of Labor.

Article 31 (Request for Provision of Materials)

(1) The Corporation may, if it is deemed necessary to efficiently carry out insurance activities, request relevant administrative agencies, such as the National Tax Service and local governments, or institutions, organizations, etc., involved in insurance activities, to provide necessary materials.

(2) Relevant administrative agencies or institutions, organizations, etc., related to insurance activities which receives a request to provide materials pursuant to paragraph (1) shall not decline the request with no justifiable reasons.

(3) Materials provided pursuant to paragraph (1) shall be exempt from fees or charges, etc.

Article 32 (Investment, etc.)

(1) If it is necessary for carrying out activities efficiently, the Corporation may make investment in or contribution to the activities prescribed in subparagraphs 5 through 7 of Article 11.

(2) Necessary matters concerning the investment and contribution referred to in paragraphs (1) shall be prescribed by the Presidential Decree.

Article 33 (Establishment of Workers Accident Medical Corporation)

(1) The Corporation shall set up the Workers Accident Medical Corporation (hereinafter referred to as "the Workers Accident Medical Corporation") as its subsidiary organization in order to carry out activities described in any of the following subparagraphs, such as medical care and rehabilitation for workers suffering from a work-related accident :

1. Medical care and rehabilitation for workers, etc., who had a work-related accident;
2. Research on and prevention of occupational diseases;

3. Research & development, testing and dissemination of rehabilitation aid equipment;

4. Industrial health activities; and

5. Activities incidental to those prescribed in subparagraphs 1 through 4

(2) The Workers Accident Medical Corporation shall be a juristic person.

(3) The Workers Accident Medical Corporation shall come into existence by registering its establishment in the area where its principal office is located.

(4) The Workers Accident Medical Corporation may set up or operate medical institutions, research institutes, etc., to carry out the activities prescribed in paragraph (1).

(5) Necessary matters concerning the operation of the activities under paragraph (1) shall be prescribed in the bylaws.

(6) The Corporation shall direct and supervise the Workers Accident Medical Corporation with regard to the work described in each subparagraph of paragraph (1).

Article 34 (Prohibition of Use of Similar Title)

(1) No person other than the Corporation shall use as his/her title the Korea Workers' Compensation & Welfare Service or any similar term thereto.

(2) No person other than the Workers Accident Medical Corporation shall use as his/her title, the Workers Accident Medical Cooperation or any similar term thereto.

Article 35 (Mutatis Mutandis Application of Civil Act)

Except as otherwise provided in this Act, the provisions of the Civil Act concerning foundations shall apply mutatis mutandis with regard to the Corporation and the Workers Accident Medical Corporation.

CHAPTER III

Insurance Benefits

Article 36 (Types of Insurance Benefits and Criteria, etc., for Their Calculation)

(1) Types of insurance benefits are as follows:

1. Medical care benefits;

2. Wage replacement benefits;

3. Disability benefits;
4. Nursing benefits
5. Survivors benefits;
6. Injury-disease compensation annuities;
7. Funeral expenses; and
8. Vocational rehabilitation benefits

(2) The insurance benefits referred to in paragraph (1) shall be paid at the request of a person (hereinafter referred to as "entitled person") who is entitled to receive them under the provisions of Articles 40, 52 through 57, 60 through 62, 66 through 69, 71 and 72.

(3) In calculating insurance benefits, if more than one year has passed since the reason for calculating the average wage of the worker concerned occurred, the average wage shall be increased or decreased according to the rate of increase or decrease in the average wages of all workers each year, and in case the age of the worker is 60 or above, shall be increased or decreased according to the rate of change in consumer prices.

(4) The standards for and methods of the calculation of the rate of increase or decrease in the average wages of all workers and the rate of change in consumer prices under paragraph (3) shall be prescribed by the Presidential Decree. In such cases, the calculated rate of increase or decrease and rate of change shall be publicly announced by the Minister of Labor every year.

(5) In calculating insurance benefits, in such cases as prescribed by the Presidential Decree where it is deemed inappropriate to apply the average wage of the worker due to his/her unusual type of employment, an amount calculated according to the calculation method prescribed by the Presidential Decree shall be considered as the average wage.

(6) In calculating insurance benefits, where it is deemed inappropriate to apply the average wage of the worker who is to receive insurance benefits for the occupational diseases prescribed by the Presidential Decree, such as pneumoconiosis, from the standpoint of protecting such a worker, an amount calculated according to the calculation methods prescribed by the Presidential Decree shall be the average wage of the worker concerned.

(7) In calculating insurance benefits (excluding funeral expenses), where the average wage of the worker or the average wages based on which insurance benefits are calculated pursuant to paragraphs (3) through (6) is either more than 1.8

times (hereinafter referred to as the "maximum standard amount of compensation") or less than half (hereinafter referred to as the "minimum standard amount of compensation") the amount of the average wages of all workers, the maximum standard amount of compensation or the minimum standard amount of compensation shall be considered as the average wage of the worker concerned : Provided that the minimum standard amount of compensation shall not be applied in calculating wage replacement benefits and injury-disease compensation annuities.

(8) The calculation method and application duration of the maximum or minimum standard amount of compensation shall be prescribed by the Presidential Decree. In such cases, the calculated maximum or minimum standard amount of compensation shall be publicly announced by the Minister of Labor every year.

Article 37 (Criteria for Recognition of Work-related Accidents)

(1) If a worker sustains an injury, a disability or disease or dies for any of the causes described in the following subparagraphs, the injury, disease, disability or death shall be considered as a work-related accident : Provided that this shall not apply in case there is no causal relationship between the work and accident :

1. Work-related accidents

A. An accident which happens while the worker is performing work or an act in accordance with his/her employment contract;

B. An accident which happens due to a defect in, or the careless management of, facilities, etc., provided by the employer while the worker is using these facilities, etc.;

C. An accident which happens while the worker is commuting to and from work under the control of the employer, such as using transportation provided by the employer or the equivalent thereof;

D. An accident that happens while the worker is participating in or preparing an event organized by the employer or an event following the directions of the employer;

E. An accident which happens during recess hours due to an act that can be seen as under the control of the employer; and

F. Other accidents which happen in relation to work

2. Work-related diseases

A. A disease which occurs due to the handling of, or exposure to, harmful or hazardous elements while the worker is performing his/her duties;

B. A disease which occurs as a result of a work-related injury; and

C. Other diseases which occur in relation to work

(2) The injury, disease, disability or death of a worker, which arises from or is caused by his/her intentional or self-harming act or criminal act shall not be considered as a work-related accident : Provided that if the injury, disease, disability or death occurs due to an act committed when the worker's level of cognitive ability, etc., is obviously low and there is the cause prescribed by the Presidential Decree, it shall be considered as a work-related accident.

(3) The specific criteria for recognizing work-related accidents shall be prescribed by the Presidential Decree.

Article 38 (Work-related Disease Adjudication Committee)

(1) To deliberate on whether or not to recognize a disease as the work-related disease referred to in Article 37 (1) 2, the Work-related Disease Adjudication Committee (hereinafter referred to as the "Adjudication Committee") shall be set up within an affiliate organization of the Corporation.

(2) The diseases excluded from the deliberation of the Adjudication Committee and deliberation procedures shall be prescribed by the Ordinance of the Ministry of Labor.

(3) Necessary matters concerning the composition and operation of the Adjudication Committee shall be prescribed by the Ordinance of the Ministry of Labor.

Article 39 (Presumption of Death)

(1) If a worker aboard a ship or aircraft which had an accident has not been found dead or alive or if a worker aboard a ship or aircraft on voyages went missing or has not been found dead or alive for other reasons, he/she shall be presumed to be dead under the conditions as prescribed by the Presidential Decree, and the provisions concerning survivors benefits and funeral expenses shall apply.

(2) If after insurance benefits are paid under the presumption of death as referred to in paragraph (1), the survival of the worker concerned is confirmed, the paid amount in case of a bona fide recipient and twice that amount in case of a mala fide recipient shall be collected from the person who

received the benefits.

Article 40 (Medical Care Benefits)

(1) Medical care benefits shall be paid to a worker if the worker gets an injury or a disease for work-related causes.

(2) The medical care benefits referred to in paragraph (1) shall require the worker to receive medical care at an industrial accident insurance-related medical institution prescribed in Article 43 (1) : Provided that in inevitable cases, medical care expenses may be paid in lieu of providing medical care.

(3) In the case of paragraph (1), if the injury or disease can be cured after three days or less of medical care, the medical care benefits shall not be paid.

(4) The scope of the medical care benefits referred to in paragraph (1) is as follows:

1. Medical examination and test;
2. Provision of medicines or medical supplies, artificial limbs, and other prosthetic devices;
3. Treatment, operation and other treatments;
4. Rehabilitation treatment
5. Hospitalization;
6. Nursing and patient caring;
7. Transfers and
8. Other matters prescribed by the Ordinance of the Ministry of Labor.

(5) The criteria for the calculation of medical care benefits, such as the scope and amount of medical care benefits as referred to in paragraphs (2) and (4), shall be prescribed by the Ordinance of the Ministry of Labor.

(6) If the industrial accident insurance-related medical institution where a worker suffering from a work-related accident intends to receive medical care is to be a tertiary hospital prescribed in Article 43 (1) 2, the worker shall be an emergency patient prescribed in subparagraph 1 of Article of the Emergency Medical Service Act or except when other inevitable reasons exist, there shall be an medical opinion that the worker needs to get medical care at a tertiary hospital.

Article 41 (Application for Medical Care Benefits)

(1) A person who intends to receive medical care benefits pursuant to Article 41 (1) shall make an application for medical care benefits to the Corporation, together with documents indicating his/her workplace, the background of the accident, and medical opinions about the accident. In this case, the

procedures for and method of application for medical care benefits shall be prescribed by the Ordinance of the Ministry of Labor.

(2) An industrial accident insurance-related medical institution prescribed in Article 43 (1), which gives medical examination and treatment to a worker, if the accident is judged as a work-related accident, may apply for medical care benefits on behalf of the worker with his/her consent.

Article 42 (Preferential Application of Health Insurance)

(1) A person who applies for medical care benefits pursuant to Article 41 (1) may receive medical care benefits under Article 39 of the National Health Insurance Act or medical benefits (hereinafter referred to as "medical care benefits, etc., under health insurance") under Article 7 of the Medical Benefit Act before the Corporation makes a decision on medical care benefits under this Act.

(2) If a person who has received medical care benefits, etc., under health insurance pursuant to paragraph (1) is decided to be a person entitled to medical care benefits under this Act after paying a part of his/her costs under Article 41 of the National Health Insurance Act or Article 10 of the Medical Benefit Act to an industrial accident insurance-related medical institution prescribed in Article 43 (1), he/she may claim an amount equivalent to the medical care benefits referred to in Article 40 (5) among the costs already paid from the Corporation.

Article 43 (Designation of Industrial Accident Insurance-related Medical Institutions, Cancellation of Designation, etc.)

(1) Medical institutions (hereinafter referred to as "industrial accident insurance-related medical institutions") responsible for providing medical care for workers suffering from a work-related accident are as follows :

1. Medical institutions belonging to the Workers Accident Medical Corporation;

2. Tertiary hospitals under Article 40 (2) of the National Health Insurance Act; and

3. Medical institutions and public health clinics designated by the Corporation from among the medical institutions under Article 3 of the Medical Service Act and public health clinics (including the medical care centers under Article 8 of the Regional Public Health Act; hereinafter the same shall apply) under Article 7 of the Regional Public Health Act, which satisfy

the standards set by the Ordinance of the Ministry of Labor in terms of manpower, facilities, etc.

(2) When designating a medical institution or public health clinic as an industrial accident insurance-related medical institution pursuant to paragraph (1) 3, the Corporation shall take into account the factors described in the following subparagraphs :

1. Manpower, facilities, equipment and areas of practice of the medical institution or public health clinic; and

2. Distribution of industrial accident insurance-related medical institutions in each region

(3) If an industrial accident insurance-related medical institution under paragraph (1) 2 and 3 falls under any of the following subparagraphs, the Corporation may cancel the designation (limited to the case of paragraph (1) 3) or restrict its medical treatment for workers suffering from a work-related accident for not more than 12 months or order improvements (hereinafter referred to as "restriction, etc., on medical treatment") :

1. Where the medical institution has diagnosed or certified matters concerning a work-related accident in a false or other fraudulent ways;

2. Where the medical institution has claimed the medical expenses referred to in Article 45 in a false or other fraudulent ways;

3. Where the cancellation of the designation or restriction, etc., on medical treatment is found necessary as a result of the evaluation referred to in Article 50;

4. Where the medical institution is not able to engage in medical service temporarily or permanently due to a violation of the Medical Service Act or other reasons;

5. Where the medical institution has failed to meet the standards of manpower, facilities, etc., prescribed in paragraph (1) 3; or

6. Where the medical institution has violated restriction, etc., on medical treatment, etc.

(4) If an industrial accident insurance-related medical institution under paragraph (1) 2 and 3 falls under any of the following subparagraphs, the Corporation may impose restriction, etc., on medical treatment for not more than 12 months :

1. Where the medical institution has unduly claimed the medical expenses referred to in Article 45 in violation of the

criteria for the calculation of medical care benefits referred to in Article 40 (5);

2. Where the medical institution has claimed medical expenses from a person other than the Cooperation in violation of Article 45 (1);

3. Where the medical institution has failed to submit the medical treatment plan referred to in Article 47 (1);

4. Where the medical institution has failed to make a report, respond to a request for submission of materials or investigation in violation of Article 118; or

5. Where the medical institution has violated the requirements for the designation of industrial accident insurance-related medication institutions

(5) If the Corporation intends to cancel designation or restrict medical treatment pursuant to paragraph (3) or (4), it shall hold a public hearing.

(6) The procedures for the designation referred to in paragraph (1) 3 and the criteria and procedures for the cancelation of designation and restrictions, etc., on medical treatment under paragraphs (3) and (4) shall be prescribed by the Ordinance of the Ministry of Labor.

Article 44 (Penalties, etc. for Industrial Accident Insurance-related Medical Institutions)

(1) If the Corporation has to restrict medical treatment for any of the reasons described in subparagraphs 1 and 2 of paragraph (3) and subparagraph 1 of paragraph (4) of Article 43 and considers that the restriction on medical treatment causes serious inconvenience to the workers who use the medical institution in question or that there are other special reasons, it may impose a penalty not exceeding five times the amount of insurance benefits received in a false or fraudulent way or the amount of medical expenses received in a false, fraudulent or illegitimate ways in lieu of restricting medical treatment.

(2) The amount, etc., of the penalty imposed pursuant to paragraph (1) according to type and degree of offence, etc., shall be prescribed by the Presidential Decree.

(3) If a person subject to the imposition of a penalty pursuant to paragraph (1) fails to pay the penalty by the deadline, the penalty shall be collected in accordance with the process for the recovery of national taxes in arrears.

Article 45 (Claim, etc. for Medical Expenses)

(1) If an industrial accident insurance-related medical institution which has provided medical care pursuant to Article 40 (2) is to receive the expenses (hereinafter referred to as "medical expenses"), it shall claim the expenses from the Corporation.

(2) Examination and decision concerning the medical expenses claimed pursuant to paragraph (1) and procedures for and method of the payment of such expenses shall be prescribed by the Ordinance of the Ministry of Labor.

Article 46 (Claim, etc., for Medicine Expenses)

(1) The Corporation may provide medicines under Article 40 (4) 2 through a pharmacy registered pursuant to Article 20 of the Pharmaceutical Affairs Act.

(2) If the pharmacy referred to in paragraph (1) intends to receive medicine expenses, it shall claim the expenses from the Corporation.

(3) Examination and decision concerning the medicine expenses claimed pursuant to paragraph (2), and procedures for and method of the payment of such expenses shall be prescribed by the Ordinance of the Ministry of Labor.

Article 47 (Submission of Medical Treatment Plan)

(1) An industrial accident insurance-related medical institution, if it is necessary to extend the medical care period of a worker receiving medical care benefits pursuant to Article 41, shall submit a medical treatment plan containing progress relating to the disease or injury of the worker, a expected treatment period, treatment methods, etc., to the Corporation under the conditions prescribed by the Presidential Decree.

(2) The Corporation may examine the adequacy of the medical treatment plan submitted pursuant to paragraph (1), and take necessary measures (hereinafter referred to as "measures, etc., to change a medical treatment plan") prescribed by the Presidential Decree, such as ordering the industrial accident insurance-related medical institution to change the treatment period.

Article 48 (Transfer to Another Medical Institution)

(1) If there is a reason falling under any of the following subparagraphs, a worker in the middle of medical care may be transferred to another industrial accident insurance-related medical institution to get medical care :

1. Where the worker needs to be transferred to another

industrial accident insurance-related medical institution because the manpower, facilities, etc., of the industrial accident insurance-related medical institution currently providing medical care are unfit for the professional treatment or rehabilitation treatment of the worker;

2. Where the worker needs to be transferred to another industrial accident insurance-related medical institution to allow him/her to get medical care near where he/she lives;

3. Where the worker needs to be transferred to another industrial accident insurance-related medical institution after getting professional treatment at a tertiary hospital referred to in Article 43 (1) 2; or

4. Other cases where the worker is deemed to have an inevitable reason after undergoing the procedures prescribed by the Presidential Decree.

Article 49 (Application for Medical Care Benefits for Additional Injury or Disease)

If a worker receiving medical care due to a work-related accident falls under any of the following subparagraphs, he/she may apply for medical care benefits for an additional injury or disease (hereinafter referred to as "additional injury or disease"):

1. Where medical care is needed as an injury or a disease which has arisen from the work-related accident is additionally found ; or

2. Where medical care is needed as a new disease occurs as a result of an injury or a disease arising from the work-related accident.

Article 50 (Evaluation of Industrial Accident Insurance-related Medical Institutions)

(1) In order to improve the quality of medical service with regard to work-related accidents, the Corporation may evaluate the medical institutions prescribed by the Presidential Decree, from among the industrial accident insurance-related medical institutions referred to in Article 43 (1) 3, in terms of manpower, facilities, medical services and other matters relating to the quality of medical care. In this case, the evaluation method and criteria shall be prescribed by the Presidential Decree.

(2) Considering the results of the evaluation referred to in paragraph (1), the Corporation may preferentially treat the evaluated industrial accident insurance-related medical institutions administratively or financially, or cancel their

designation or impose restrictions, etc., on medical treatment pursuant to Article 43 (3) 3.

Article 51 (Additional Medical Care)

(1) If a person who received medical care benefits pursuant to Article 40 relapses into the work-related injury or disease subject to medical care after recovery or if due to the deterioration of the injury or disease, there is a medical opinion that he/she needs active medical care to treat it, he/she may receive medical care (hereinafter referred to as "additional medical care") again pursuant to Article 40.

(2) Necessary matters concerning requirements and procedures for additional medical care shall be prescribed by the Presidential Decree.

Article 52 (Wage Replacement Benefits)

Wage replacement benefits shall be paid to a worker who gets injured or contract a disease for work-related reasons for a period during which the worker concerned is unable to work due to medical care, and the amount to be paid for a day shall be the equivalent amount of 70/100 of the average wages: Provided that if the period of not being able to work is three days or less, they shall not be paid.

Article 53 (Partial Wage Replacement Benefits)

(1) If a worker who is undergoing medical care or additional medical care is employed for a certain period or part-time, he/she may be paid 90/100 of the amount calculated by subtracting the wage paid for those days or hours employed from the average wage corresponding to the number of days or hours employed : Provided that if the minimum wage (the amount of reduction in case the amount is reduced in accordance with subparagraph 2 of Table 1) is taken as the daily wage replacement benefits pursuant to Article 54 (2) and Article 56 (2), an amount equivalent to the minimum wage minus the wage paid for days or hours employed may be paid.

(2) If a worker is employed part-time as referred to in paragraph (1), for the number of hours unemployed (referring to the number of hours remaining after subtracting the number of hours employed from eight hours), an amount produced by multiplying the daily wage replacement benefits calculated pursuant to Article 52 or Articles 54 through 56 by the ratio of the number of hours unemployed to eight hours shall be paid.

(3) Requirements and procedures for the payment of partial

wage replacement benefits referred to in paragraph (1) shall be prescribed by the Presidential Decree.

Article 54 (Wage Replacement Benefits for Low-income Workers)

(1) If the daily amount of wage replacement benefits calculated pursuant to Article 52 is less than or equal to 80/100 of the minimum standard amount of compensation, the daily wage replacement benefits for the worker shall be an amount equivalent to 90/100 of his/her average wage : Provided that an amount equivalent to 90/100 of the average wage of the worker is more than 80/100 of the minimum standard amount of compensation, an amount equivalent to 80/100 of the minimum standard amount of compensation shall be the daily wage replacement benefits.

(2) If the amount of wage replacement benefits calculated pursuant to paragraph (1) is less than the hourly minimum wage (hereinafter referred to as the "minimum wage") under Article 5 (1) of the Minimum Wage Act multiplied by eight, the minimum wage shall be the daily wage replacement benefits for the worker.

Article 55 (Wage Replacement Benefits for the Aged)

If a worker who receives wage replacement benefits reaches the age of 61, he/she shall be paid an amount calculated in accordance with Table 1 : Provided that if a person who stays employed after the age of 61 receives medical care due to a work-related accident or a person who has received disability benefits due to a work-related disease pursuant to Article 37 (1) 2 receives the first medical care due to the work-related disease after the age of 61, the provisions of Table 1 shall not apply during the period prescribed by the Presidential Decree.

Article 56 (Wage Replacement Benefits During Additional Medical Care)

(1) For a person who receives additional medical care, an amount equivalent to 70/100 of the average wage calculated on the basis of the wage at the time of the additional medical care shall be the daily wage replacement benefits. In this case, the date of the occurrence of reasons for calculating the average wage shall be prescribed by the Presidential Decree.

(2) If the daily wage replacement benefits calculated pursuant to paragraph (1) is less than the minimum wage or if there is no wage subject to the calculation of the average wage at the time of additional medical care, the minimum wage shall

be the daily wage replacement benefits.

(3) In the event that a person who receives a disability compensation annuity receives additional medical care, if the sum of the daily disability compensation annuity (referring to the amount of disability compensation annuity divided by 365; hereinafter the same shall apply) and the daily wage replacement benefits calculated pursuant to paragraph (1) or (2) is more than 70/100 of the average wage applied in calculating the disability compensation annuity, an amount equivalent to the wage replacement benefits within the limits of the excess amount shall not be paid.

Article 57 (Disability Benefits)

(1) Disability Benefits shall be paid to a worker who has a disability after receiving medical care due to injuries or diseases he/she got for work-related reasons.

(2) Disability benefits shall be paid in the form of a disability compensation annuity or lump sum disability compensation set forth in Table 2 based on grade of disability, and criteria for disability grades shall be prescribed by the Presidential Decree.

(3) Either disability compensation annuity or lump sum disability compensation referred to in paragraph (2) shall be paid depending on the choice of the entitled person : Provided that a worker with the disability grades prescribed by the Presidential Decree, which are characterized as a complete loss of work ability, shall be paid a disability compensation annuity and a worker who was not a Korean national when the reason for claiming the payment of disability benefits occurred and resides in a foreign country shall be paid lump sum disability compensation.

(4) Disability compensation annuities may be paid in advance at the request of the entitled person in an amount equivalent to 1/2 of one- to two-year annuities (one to four-year annuities for the workers prescribed in the proviso of paragraph (3)). In this case, interest may be deducted from the amount paid in advance at the rate prescribed by the Presidential Decree, which is not more than 5/100.

(6) In the event that the entitlement of a person entitled to a disability compensation annuity is terminated pursuant to Article 58, if the sum of the number of days obtained by dividing the already paid annuity by each of the average wages at the time of payment is less than the number of days for

lump sum disability compensation prescribed in Table 2, an amount calculated by multiplying the shortfall in the number of days by the average wage at the time of the termination shall be paid in a lump sum to the worker or his/her surviving family members.

Article 58 (Termination of Entitlement to Disability Compensation Annuity)

If a person entitled to receive a disability compensation annuity falls under any of the following subparagraphs, his/her entitlement shall be terminated :

1. Where he/she dies;
2. Where a person entitled to a disability compensation annuity was once a Korean national but has lost Korean nationality and now lives in a foreign country or leaves Korea to live in a foreign country;
3. Where a person entitled to a disability compensation annuity is not a Korean national and leaves Korea to live in a foreign country; or
4. Where he/she is excluded from those to be paid disability compensation annuities as a result of a change of his/her disability grade

Article 59 (Redetermination of Disability Grades)

(1) Among persons entitled to a disability compensation annuity, for those whose disability grade determined when they were cured is possible to change as the state of the disability has improved or worsened, the Corporation may redetermine their disability grade at the request of the entitled persons or by virtue of its authority.

(2) If a disability grade is changed as a result of the redetermination referred to in paragraph (1), disability benefits shall be paid according to the changed disability grade.

(3) The redetermination of a disability grade referred to in paragraphs (1) and (2) shall be made just once and persons subject to the redetermination, the period and the way of paying disability benefits based on the results of the redetermination shall be prescribed by the Presidential Decree.

Article 60 (Disability Benefits Due to Additional Medical Care)

(1) Even in case a person entitled to a disability compensation annuity receives additional medical care, the payment of the annuity shall not be suspended.

(2) If after a person is cured by additional medical care, his/her state of disability has improved or worsened compared

with before, the disability benefits shall be paid according to the disability grade corresponding to the improved or worsened state of disability.

Article 61 (Nursing Benefits)

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

(2) The payment standard and method of the nursing benefits referred to in paragraph (1) shall be prescribed by the Presidential Decree.

Article 62 (Survivors Benefits)

(1) Survivors' benefits shall be paid to the surviving family members of a worker who has died for work-related reasons.

(2) Survivors' benefits shall be paid in the form of a survivors' compensation annuity or lump sum survivors' compensation as set forth in Table 3 : Provided that lump sum survivors' compensation shall be paid in case there was no one qualified to receive survivors' compensation annuities pursuant to Article 63 (1) when the worker died.

(3) If a person qualified to receive a survivors' compensation annuity under paragraph (2) wants to, an amount equivalent to 50/100 of the lump sum survivors' compensation shown in Table 3 shall be paid in a lump sum, and the survivors' compensation annuity shall be paid in a amount reduced by 50/100.

(4) If a person who had received a survivors' compensation annuity has lost the qualification to receive it, there is no other qualified person, and the sum of the numbers of days obtained by dividing the annuity already paid by each average wage at the time of payment is short of 1,300 days, an amount calculated by multiplying the shortfall in the number of days by the average wage at the time of losing the qualification shall be paid in a lump sum to his/her surviving family members at the time when the qualification was lost.

(5) The payment criteria, methods and other necessary matters concerning the survivors' compensation annuities referred to in paragraph (2) shall be prescribed by the Presidential Decree.

Article 63 (Scope of Persons Qualified to Receive Survivors' Compensation Annuity)

(1) Those (hereinafter referred to as "persons qualified to

receive survivors' compensation annuities") who are qualified to receive survivors' compensation annuities shall be the worker's wife (including a person in a de facto marital relationship; hereinafter the same shall apply) and those falling under any of the following subparagraphs among surviving family members (excluding surviving family members who are not Korean nationals and were living in a foreign country at the time of his/her death) whose livelihood was supported by the worker concerned at the time of his/her death. In this case, the criteria for judging surviving family members whose livelihood was supported by the worker shall be prescribed by the Presidential Decree :

1. Husband (including a person in a de facto marital relationship ; hereinafter the same shall apply.), 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; and
4. Husband, children, parents, grandchildren, grandparents or brothers and sisters who do not fall under any of subparagraphs 1 through 3 and has a disability grade higher than the one prescribed by the Ordinance of the Ministry of Labor from among the disabled provided for in Article 2 of the Welfare of Disabled Persons Act.

(2) In applying paragraph (1), if a child who was a fetus at the time of the worker's death is born, the child shall be regarded at birth and thereafter as a surviving family member whose livelihood was supported by the worker concerned at the time of his/her death.

(3) Among persons qualified to receive a survivors' compensation annuity, the order of priority in which the survivors' compensation annuity is awarded shall be as follows : spouse, children, parents, grandchildren, grandparents and brothers and sisters.

Article 64 (Disqualification of Person Qualified to Receive Survivors' Compensation Annuity, Discontinuation of Annuity Payment, etc.)

(1) If a surviving family member qualified to receive a survivors' compensation annuity falls under any of the following subparagraphs, he/she shall lose the qualification:

1. Where he/she dies;
2. Where he/she remarries (This case shall apply only to

- the dead worker's spouse and including a person in a de facto marital relationship in the case of remarriage);
3. Where the kinship with the dead worker ends;
 4. Where his/her children, grandchildren or brothers and sisters reach the age of 18;
 5. Where he/she was a disabled person prescribed in Article 63 (1) 4 and has completely recovered from such disability;
 6. Where a person qualified to receive the survivors compensation annuity was a Korean national at the time of the worker's death but has lost his/her Korean nationality and now lives in a foreign country or leaves Korea to live in a foreign country; and
 7. Where a person qualified to receive the survivors compensation annuity is not a Korean national and leaves Korea to live in a foreign country.

(2) If a person (hereinafter referred to as "person entitled to a survivors' compensation annuity") qualified to receive a survivors' compensation annuity has lost the qualification, the right to receive the survivors' compensation annuity, if there is any person at the same priority level in the order of priority, shall be transferred to that person and if there is no such person, to the person next in the order.

(3) If a person entitled to a survivors' compensation annuity has been missing for three months or more, the payment of the annuity shall be suspended and be made to the person next in the order as prescribed by the Presidential Decree.

Article 65 (Order of Priority of Entitled Surviving Family Members)

(1) The order of priority of entitlement among surviving family members under Article 57 (5) and Article 62 (2) (limited to lump sum survivors' compensation) and (4) shall be the one prescribed in any of the following subparagraphs. The order of priority between persons in each subparagraph shall be the order in which they are listed in the subparagraph. In case there are two or more entitled persons at the same priority level in the order, the benefits shall be paid equally between the persons :

1. Spouse, children, parents, grandchildren and grandparents whose livelihood was supported by the worker at the time of his/her death
2. Spouse, children, parents, grandchildren and grandparents

whose livelihood was not supported by the worker at the time of his/her death or brothers and sisters whose livelihood was supported by the worker at the time of his/her death; and

3. Brothers and sisters

(2) In the case of paragraph(1), adoptive parents shall be given priority over biological parents, the parents of adoptive parents over the parents of biological parents, and the adoptive parents of parents over the biological parents of parents.

(3) In case an entitled surviving family member has died, the insurance benefits, if there is any person at the same priority level in the order, shall be paid to that person, and if there is no such person, shall be paid to the person next in the order.

(4) Notwithstanding the provisions of paragraphs (1) through (3), if a worker designates his/her surviving family member who is to receive the insurance benefits in his/her will, the designated family member shall receive the benefits.

Article 66 (Injury-Disease Compensation Annuity)

(1) If a worker who has received medical care benefits continues to be in a state that meets all the requirements described in the following subparagraphs, after two years have passed since the start of the medical care, he/she shall be paid an injury-disease compensation annuity instead of wage replacement benefits :

1. The injury or disease remains uncured ; and
2. The degree of invalidity caused by the wound or disease meets the standards for invalidity grades prescribed by the Presidential Decree.

(2) Injury-disease compensation annuities shall be paid according to the grades of invalidity shown in Table 4.

Article 67 (Injury-Disease Compensation Annuity for Low-income Workers)

(1) In calculating a injury-disease compensation annuity pursuant to Article 66, if the average wage of the worker is less than an amount produced by multiplying the minimum wage by 100/70, 100/70 of the minimum wage shall be seen as the minimum wage of the worker.

(2) If an amount (hereinafter referred to as "daily injury-disease compensation annuity") obtained by dividing the amount of injury-disease compensation annuity calculated pursuant to Article 66 or paragraph (1) by 365 is less than the

daily wage replacement benefits calculated pursuant to Article 54, the amount calculated pursuant to Article 54 shall be the daily injury-disease compensation annuity.

Article 68 (Injury-Disease Compensation Annuity for the Aged)

If a worker who receives an injury-disease compensation annuity reaches the age of 61, the amount of injury-disease compensation annuity to be paid thereafter shall be calculated in accordance with Table 5.

Article 69 (Injury-Disease Compensation Annuity During Additional Medical Care)

(1) A person whose state of injury or disease meets all the requirements described in any of the subparagraphs of Article 66 (1) after two years have passed since the start of additional medical care shall be paid an injury-disease compensation annuity, instead of wage replacement benefits, in accordance with the grades of invalidity shown in Table 4. In this case, the average wage applicable in the calculation of wage replacement benefits during additional medical care shall be applied in calculating the injury-disease compensation annuity, however, if the average wage is less than the minimum wage multiplied by 100/70 or there is no wage subject to the calculation of the average wage at the time of additional medical care, 100/70 of the minimum wage shall be considered as the average wage of the worker in calculating the annuity.

(2) If a worker who receives an injury-disease compensation annuity pursuant to paragraph (1) receives a disability compensation annuity, the number of payment days for injury-disease compensation annuities by grade of invalidity shown in Table 4 minus the number of payment days for disability compensation annuities by grade of disability shown in Table 2 and then multiplied by the average wage calculated pursuant to the latter part of paragraph (1) shall be the amount of injury-disease compensation annuity of the worker.

(3) Notwithstanding the provisions of paragraphs (1) and (2), if a worker who receives an disability compensation annuity pursuant to the proviso of Article 57 (3) receives additional medical care, the injury-disease compensation annuity shall not be paid : Provided that if the grade of invalidity is raised during the additional medical care, two years shall be considered to have passed since the start of the additional medical care and he/she shall be paid an amount of injury-disease compensation annuity calculated pursuant to

paragraph (2) notwithstanding the former part of paragraph (1).

(4) In calculating injury-disease compensation annuities during additional medical care, the provision of Article 67 shall not apply.

Article 70 (Payment Period and Date of Annuities)

(1) The payment of disability compensation annuities or survivors compensation annuities shall begin on the first day of the month following the month in which the reason for the payment occurs, and end on the last day of the month in which the right to receive the annuities is extinguished.

(2) If there occurs a reason for suspending the payment of disability compensation annuities or survivors compensation annuities, the annuities shall not be paid from the first day of the month following the month in which the reason occurs to the last day of the month in which the reason disappears.

(3) A disability compensation annuity or survivors compensation annuity shall be divided into 12 equal payments and each monthly payment shall be made on the 25th of each month and if the payment date falls on a Saturday or holiday, shall be made on the preceding day.

(4) If the right to receive a disability compensation annuity or survivors compensation annuity is extinguished before the 25th of a certain month, it may be paid even before the payment date under paragraph (3).

Article 71 (Funeral Expenses)

(1) Funeral expenses shall be paid if a worker has died due to work-related accidents, and an amount equivalent to 120 days of the worker's average wages shall be paid to the surviving family member who performs the funeral service : Provided that if there is no surviving family member who performs the funeral service or a person other than surviving family members has performed the funeral service for inevitable reasons, the amount actually spent within the limits of an amount equivalent to 120 days of the average wages shall be paid to the person who has performed the funeral service.

(2) In case the funeral expenses under paragraph (1) either exceed the maximum amount or are less than the minimum amount notified by the Minister of Labor under the conditions prescribed by the Presidential Decree, the maximum or minimum amount shall be the funeral expenses, respectively.

Article 72 (Vocational Rehabilitation Benefits)

(1) Types of vocational rehabilitation benefits are as follows :

1. Vocational training allowances and the costs of providing vocational training for those (hereinafter referred to as "training targets") who need vocational training to be reemployed among recipients of disability benefits (hereinafter referred to as "recipients of disability benefits"); and

2. Return-to-work subsidy, work adaption training costs, rehabilitation exercise costs which are paid if an employer retains, or carries out work adaptation training or a rehabilitation exercise program for, recipients of disability benefits who have returned to the workplace where they were working when the work-related accident happened

(2) The training targets referred to in paragraph (1) 1 and recipients of disability benefits referred to in paragraph (1) 2 shall be prescribed by the Presidential Decree in consideration of degree of disability and age.

Article 73 (Vocational Training Costs)

(1) Vocational training for training targets shall be provided at a vocational training institution (hereinafter referred to as "vocational training institution") which has made a contract with the Corporation.

(2) The costs (hereinafter referred to as "vocational training costs") of providing vocational training under Article 72 (1) 1 shall be paid to the vocational training institution which provides vocational training pursuant to paragraph (1) : Provided that the vocational training costs shall not be paid in such cases as prescribed by the Presidential Decree, where the vocational training institution has received an amount equivalent to the vocational training costs under the Act on Employment Promotion and Vocational Rehabilitation for the Disabled, the Employment Insurance Act, the Workers Vocational Skills Development Act or other Acts and subordinate statutes.

(3) Vocational training costs shall be the amount actually spent within the limits of the amount announced by the Minister of Labor after taking into account training costs, training period, labor market conditions, etc., and the training period during which vocational training costs are paid shall be less than 12 months.

(4) Necessary matters concerning the payment scope, criteria, procedure, and method of vocational training costs, the making and termination of a contract with a vocational training

institution, etc., shall be prescribed by the Ordinance of the Ministry of Labor.

Article 74 (Vocational Training Allowances)

(1) The vocational training allowances referred to in Article 72 (1) 1 shall be paid to a training target who receives vocational training pursuant to Article 73 (1) for a period during which they cannot be employed due to the vocational training, and the daily amount shall be equivalent to the minimum wage.

(2) In the event that a person who receives vocational training allowances pursuant to paragraph (1) receives a disability compensation annuity, if the sum of the amount of disability compensation annuity per day and the amount of vocational training allowances per day exceeds 70/100 of the average wage based on which the disability compensation annuity of the worker is calculated, an amount equivalent to the vocational training allowances within the limits of the excess amount shall not be paid.

(3) Necessary matters concerning the payment of vocational training allowances, etc., under paragraph (1) shall be prescribed by the Ordinance of the Ministry of Labor.

Article 75 (Return-to-work Subsidy, etc.)

(1) The return-to-work subsidy, work adaptation training costs and rehabilitation exercise costs referred to in Article 72 (1) 2 shall be paid, respectively, to an employer who retains, or carries out work adaptation training or a rehabilitation exercise program for, recipients of disability benefits. In this case, the conditions for the payment of return-to-work subsidy, work adaptation training costs and rehabilitation exercise costs shall be prescribed by the Presidential Decree.

(2) The return-to-work subsidy referred to in paragraph (1) shall be the amount of wages paid by the employer to a recipient of disability benefits within the limits of the amount announced by the Minister of Labor after taking into account wage levels, labor market conditions, etc., and the payment period shall be less than 12 months.

(3) The work adaptation training costs and rehabilitation exercise costs referred to in paragraph (1) shall be the amount actually spent within the limits of the amount announced by the Minister of Labor after taking into account the amount spent on work adaptation training and rehabilitation exercise, and the payment period shall be less than three months.

(4) In such cases as prescribed by the Presidential Decree, where for the recipient of disability benefits, the employer has received subsidy under 23 of the Employment Insurance Act, subsidy for employment of the disabled under Article 30 of the Act on Employment Promotion and Vocational Rehabilitation for the Disabled or an amount equivalent to the return-to-work subsidy, work adaptation training costs or rehabilitation exercise costs under other Acts and subordinate statutes, the return-to-work subsidy, work adaptation training costs or rehabilitation exercise costs shall not be paid.

Article 76 (Lump-sum Payment of Insurance Benefits)

(1) If a worker who is not a Korean national applies for the lump-sum payment of insurance benefits with the intention of departing from Korea while receiving medical care due to the injury or disease resulting from a work-related accident before it is cured, the insurance benefits which are expected to be claimed following the application day may be paid in a lump sum.

(2) The amount which may be paid in a lump sum pursuant to paragraph (1) shall be the sum of each amount into which the insurance benefits described in any of the following subparagraphs are converted in consideration of interests, etc., based on the advance payment period according to the methods prescribed by the Presidential Decree :

1. Medical care benefits from the day when an application is made for the lump-sum payment to the day when the injury or disease resulting from the work-related accident is expected to be cured;

2. Wage replacement benefits or injury-disease compensation annuities from the day when an application is made for the lump-sum payment to the day before the worker is expected to find employment; and

3. Disability benefits corresponding to the grade of the disability expected to remain after the injury or disease resulting from the work-related accident is cured.

(3) The application and procedures for the lump-sum payment referred to in paragraph (1) shall be prescribed by the Ordinance of the Ministry of Labor.

Article 77 (Medical Treatment of Aftereffect)

The Corporation may have those, who do not meet the conditions for additional medical care under Article 51 but have aftereffects or the risk of aftereffects after being cured due to

the characteristics of the work-related injury and disease, receive necessary treatment at an industrial accident insurance-related medical institution.

Article 78 (Special Disability Benefits)

(1) In the event that a worker has sustained any disability falling under the grades of disability prescribed by the Presidential Decree due to a work-related accident caused by the intention or negligence of the insurance subscriber, if the entitled person claims special disability benefits in lieu of the claim for damage prescribed by the Civil Act, the special disability benefits prescribed by the Presidential Decree may be paid in addition to the disability benefits prescribed in Article 57 : Provided that this shall apply only in case where the worker and the insurance subscriber reaches an agreement on special disability benefits.

(2) If an entitled person receives special disability benefits pursuant to paragraph (1), he/she shall not bring the claim for damage under the Civil Act or other Acts and subordinate statutes against the insurance subscriber for the same cause.

(3) If the Corporation pays special disability benefits pursuant to paragraph (1), it shall collect all of the benefit amount from the insurance subscriber under the conditions as prescribed by the Presidential Decree.

Article 79 (Special Survivors Benefits)

(1) In the event that a worker has died due to a work-related accident caused by the intention or negligence of the insurance subscriber, if the entitled person claims special survivors benefits in lieu of the claim for damage prescribed by the Civil Act, the special survivors benefits prescribed by the Presidential Decree may be paid in addition to the survivors benefits referred to in Article 62.

(2) The proviso of paragraph (1) and paragraphs (2) and (3) of Article 78 shall apply *mutatis mutandis* to the special survivors' benefits as referred to in paragraph (1). In this case, "special disability benefits" shall be read as "special survivors' benefits".

Article 80 (Relation with Other Compensation or Indemnity)

(1) If an entitled person was paid or may be paid insurance benefits pursuant to this Act, the insurance subscriber shall be exempted from the liability for accident compensation as prescribed by the Labor Standards Act for the same cause.

(2) If an entitled person has received insurance benefits pursuant to this Act for the same cause, the insurance subscriber shall be exempted from the liability for indemnity as prescribed by the Civil Act and other Acts and subordinate statutes, to the extent of that amount. In this case, a person who receives a disability or survivors compensation annuity shall be considered to have received lump sum disability or survivors compensation.

(3) If an entitled person has received under the Civil Act or other Acts and subordinate statutes, money or valuable goods 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 to the extent of the amount calculated by converting the money and valuable goods received according to the method as prescribed by the Presidential Decree : Provided that this shall not apply to the amount of annuities equivalent to the lump sum disability or survivors compensation considered to have been paid to the entitled person pursuant the latter part of paragraph (2).

(4) If a worker who receives medical care benefits receives an injury-disease compensation annuity after three years have passed since the start of the medical care, the employer concerned shall be considered to have paid the lump sum compensation prescribed in Article 84 of the Labor Standards Act since the day on which three years have elapsed, in applying the provisions of the proviso of Article 30 (2) of the Labor Standards Act.

Article 81 (Unpaid Insurance Benefits)

(1) In the event that a person entitled to insurance benefits has died, if there are any insurance benefits to be paid, but not yet paid to, the entitled person, such insurance benefits shall be paid upon claim of his/her surviving family members (in case of survivors' benefits, other survivors who are entitled to receive survivors' benefits).

(2) In the case of paragraph (1), if the entitled person fails to claim insurance benefits prior to his/her death, the insurance benefits shall be paid upon claim of his/her survivors pursuant to the same paragraph.

Article 82 (Payment of Insurance Benefits)

Insurance benefits shall be paid within fourteen days after the payment thereof is decided.

Article 83 (Restrictions on Payment of Insurance Benefits)

(1) If a worker falls under any of the following subparagraphs, the Corporation may not pay all or part of the insurance benefits :

1. Where while undergoing medical care, the worker has aggravated the state of his/her injury, disease or physical disability, or obstructed the cure thereof by violating instructions relating to medical care without any justifiable reasons; or

2. Where a person entitled to disability compensation annuities aggravated the state of his/her disability on purpose, such as through self-harm, before the disability grade is redetermined pursuant to Article 59.

(2) If the Corporation has decided not to pay insurance benefits pursuant to paragraph (1), it shall notify this without delay to the insurance subscriber and the worker concerned.

(3) The types of insurance benefits subject to the restrictions on the payment of insurance benefits under paragraph (1) and the scope of the restrictions shall be prescribed by the Presidential Decree.

Article 84 (Collection of Undue Gains)

(1) The Corporation shall, if a person, who has received insurance benefits, falls under any of the following subparagraphs, collect an amount (in the case of subparagraph 1, an amount equivalent to double the benefits) equivalent to the benefits. In this case, the amount the Corporation has claimed and received from the National Health Insurance Corporation pursuant to Article 90 (2) shall be excluded from the amount to be collected. :

1. Where the person has received insurance benefits in a false or other fraudulent ways;

2. Where a person who is or was entitled has unjustly received insurance benefits by not fulfilling the obligation to report under Article 114 (2) through (4); and

3. Other cases where there are insurance benefits mistakenly paid.

(2) In the case of subparagraph 1 of paragraph (1), if the payment of insurance benefits is based on false reporting, diagnosis or certification by an insurance subscriber, industrial accident insurance-related medical institution or by a vocational training institution, the insurance subscriber, industrial accident insurance-related medical institution or vocational training institution shall be held jointly responsible.

(3) The Corporation, if an industrial accident insurance-related medical institution or a pharmacy prescribed in Article 46 (1) falls under any of the following subparagraphs, shall collect an amount equivalent to the medical expenses or medicine expenses : Provided that in the case of subparagraph (1), an amount (an amount equivalent to the medical expenses in case penalties are imposed pursuant to Article 44 (1)) equivalent to double the medical expenses or medicine expenses shall be collected :

1. Where the medical expenses or medicine expenses have been received in a false or other fraudulent way;

2. Where the medical expenses or medicine expenses have been received unjustly in violation of the criteria for the calculation of medical care benefits prescribed in Article 40 (5); and

3. Other cases where the medical expenses or medicine expenses have been received mistakenly

Article 85 (Collection of Charges)

The provisions of Articles 27, 28, 29, 30, 39, 41 and 42 of the Insurance Premium Collection Act shall apply mutatis mutandis to the collection of insurance benefits under Article 39 (2), the collection of special disability benefits under Article 78, the collection of special survivors' benefits under Article 79 and the collection of undue gains under Article 84.

Article 86 (Appropriation of Insurance Benefits, etc.)

(1) The Corporation, if there are any insurance benefits, medical expenses or medicine expenses it has to pay to a person who has taken undue gains pursuant to Article 84 (1) and (3), or an insurance subscriber or an industrial accident insurance-related medical institution held jointly responsible pursuant to Article 84 (2), may appropriate them to the amount to be collected pursuant to Article 84.

(2) The maximum limit to and procedure for the appropriation of insurance benefits, medical expenses and medicine expenses shall be prescribed by the Presidential Decree.

Article 87 (Claim for Damages against Third Person)

(1) If the Corporation has paid insurance benefits for an accident caused by a third person's act, it may subrogate the right of the person who has received the benefits to file a

damage claim against the third person within the limits of the benefit amount : Provided that this shall not apply in case where two or more employers, who are insurance subscribers, operate one business divided into two or more parts at the same place, and the accident takes place due to an act committed by a worker of the other employer.

(2) In the case of paragraph (1), if the entitled person has received from the third person for the same cause, any damages equivalent to the insurance benefits as prescribed by this Act, the Corporation may not pay the insurance benefits as prescribed by this Act within the limits of an amount to which the damages are converted according to the method as prescribed by the Presidential Decree.

(3) If any accident takes place due to an act committed by a third person, the entitled person and the insurance subscriber shall report this without delay to the Corporation.

Article 88 (Protection of Right to Benefits)

(1) The right of a worker to receive insurance benefits shall not be extinguished by his/her retirement.

(2) The right to receive insurance benefits shall not be transferred, seized or offered as collateral.

Article 89 (Exercise by Proxy of Right to Benefits)

In case an insurance subscriber (including the subcontractors prescribed in subparagraph 5 of Article 2 of the Insurance Premium Collection Act; hereinafter the same shall apply) pays an entitled person money or valuable goods equivalent to the insurance benefits pursuant to the Civil Act or other Acts and subordinate statutes for his/her worker's work-related accident for the same reason for which insurance benefits are paid in accordance with this Act, and the money or valuable goods are considered as a substitute for the insurance benefits, the insurance subscriber may subrogate the right of the entitled person to receive the insurance benefits as prescribed by the Presidential Decree.

Article 90 (Settlement of Accounts of Medical Care Benefit Costs)

(1) In case where the National Health Insurance Corporation under Article 12 of the National Health Insurance Act or the head of a Si, Gun or Gu (hereinafter referred to as "the National Health Insurance Corporation, etc.") under Article 5 of the Medical Benefit Act has paid medical care benefits, etc.,

under health insurance to a person entitled to the medical care benefits prescribed by this Act and then claims the costs, the Corporation may pay an amount equivalent to the medical care benefits if the medical care benefits, etc., under health insurance are deemed equivalent to the medical care benefits payable under this Act.

(2) In case where the Corporation has paid an entitled person medical care benefits and then the decision on such payment is cancelled, the Corporation may claim an amount equivalent to the medical care benefits, etc., under health insurance from the National Health Insurance Corporation if the paid medical care benefits are deemed equivalent to the medical care benefits, etc., under health insurance, which are payable under the National Health Insurance Act or the Medical Benefit Act.

Article 91 (Exemption of Public Charges)

Public charges of the State or a local government shall not be imposed on money or valuable goods provided as insurance benefits.

CHAPTER IV

Labor Welfare Projects

Article 92 (Labor Welfare Projects)

(1) The Minister of Labor shall carry out projects described in any of the following subparagraphs to promote workers' welfare:

1. Establishment and operation of insurance facilities described in any of the following items to promote a smooth return to society of workers affected by work-related accidents:
 - (a) Facilities for medical care and post-surgery care; and
 - (b) Facilities for medical or occupational rehabilitation;
2. Projects to promote the welfare of accident victims and their survivors, such as scholarship project, etc.; and
3. Other projects to establish and operate facilities for promoting the welfare of workers.

(2) The Minister of Labor may have the Corporation or any juristic persons (hereinafter referred to as the "designated juristic persons") established to promote the welfare of accident victims and designated by the Minister of Labor carry out the projects as referred to in paragraph (1), or may entrust them with the operation of insurance facilities pursuant to subparagraph 1 of the same paragraph.

(3) Necessary matters concerning criteria for the designation of juristic persons shall be prescribed by the Ordinance of the Ministry of Labor.

(4) The Minister of Labor may support part of the expenses for the projects of designated juristic persons within the limits of budgets.

Article 93 (Loans for Individual Co-payment of Medical Care Benefit Costs under National Health Insurance)

(1) If the persons prescribed by the Presidential Decree in consideration of the period taken to make a decision on medical care benefits make a request for medical care in relation to the work-related diseases referred to in Article 37 (1) 2, the Corporation may make a loan to those persons for the individual co-payment of medical care benefit costs under Article 41 of the National Health Insurance Act.

(2) If there is any medical care benefits prescribed in this

Act, which is to be paid to the person provided with the loan pursuant to paragraph (1), the Corporation may appropriate the medical care benefits for the repayment of the loan.

(3) The amount, conditions and procedures of the loan referred to in paragraph (1) shall be determined by the Corporation with approval of the Minister of Labor.

(4) The maximum limit to and procedures for the appropriation of medical care benefits under paragraph (2) shall be prescribed by the Presidential Decree.

Article 94 (Employment Promotion for Recipients of Disability Benefits)

The Minister of Labor may recommend insurance subscribers to employ those who have received disability benefits for jobs that fit their aptitude or provide necessary support under the conditions as prescribed by the Presidential Decree.

CHAPTER V

Industrial Accident Compensation Insurance and Prevention Fund

Article 95 (Establishment and Creation of Industrial Accident Compensation Insurance and Prevention Fund)

(1) In order to secure financial resources necessary for insurance activities and industrial accident prevention activities and to finance insurance benefits, the Minister of Labor shall establish the Industrial Accident Compensation Insurance and Prevention Fund (hereinafter referred to as the "Fund").

(2) The Fund shall be formed with insurance premiums, proceeds from the operation of the Fund, reserve funds, surplus resulting from the settlement of accounts of the Fund, contributions, donations, loans and other revenues from the Government or a person other than the Government.

(3) In order to conduct industrial accident prevention activities, the Government shall, every fiscal year, calculate and present an amount within the limits of 3/100 of the total expenditures of the Fund as contributions from the Government under paragraph (2) in the tax expenditure budget.

Article 96 (Use of Fund)

(1) The Fund shall be used for purposes described in any of the following subparagraphs:

1. Payment of insurance benefits and refunds;
2. Repayment of loans and interest thereof;
3. Contributions to the Corporation and the Workers Accident Medical Corporation;
4. Purposes prescribed by Article 61-3 of the Industrial Safety and Health Act;
5. Promotion of the welfare of accident victims ;
6. Contributions to the Korea Occupational Safety and Health Agency (hereinafter referred to as the "Korea Occupational Safety and Health Agency") under the Korea Occupational Safety and Health Agency Act; and
7. Other insurance activities and the management and operation of the Fund.

(2) The Minister of Labor shall appropriate not less than 8/100 of the Fund's total expenditures falling under any of the subparagraphs of paragraph (1) for the purpose as prescribed in

paragraph (1) 4 and 6 every fiscal year.

Article 97 (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 according to the methods prescribed in any of the following subparagraphs :

1. Deposits and money trust in financial institutions or postal service agencies;
2. Deposits in financial funds;
3. Purchase of profit-making securities, such as investment trust, etc.;
4. Purchase of securities issued directly, or for which the fulfillment of obligations is guaranteed by the State, a local government or financial institutions; and
5. Other activities prescribed by the Presidential Decree to increase the Fund.

(3) In managing and operating the Fund under paragraph (2), the Minister of Labor shall make efforts to make the proceeds more than the level prescribed by the Presidential Decree.

(4) The Minister of Labor shall account for the Fund according to the corporate accounting principles.

(5) The Minister of Labor may entrust the Corporation or the Korea Occupational Safety and Health Agency with part of affairs concerning the management and operation of the Fund.

Article 98 (Fund Operation Plan)

The Minister of Labor shall establish each fiscal year fund operation plans through deliberation at the Committee.

Article 99 (Accumulation of Legal Liability Reserve)

(1) The Minister of Labor shall accumulate legal liability reserves to finance insurance benefits.

(2) The Minister of Labor shall calculate the amount of legal liability reserve every fiscal year and if reserve funds exceed the legal liability reserve, shall use the excess as financial resources to pay future insurance benefits, and if they are short, accumulate reserve funds from premium revenues to fill the shortfall.

(3) Necessary matters concerning criteria for the calculation and accumulation of the legal liability reserve as referred to in paragraph (1) shall be prescribed by the Presidential Decree.

Article 100 (Settlement of Surplus and Loss)

(1) If there is any surplus as a result of a settlement of accounts of the Fund, it shall be deposited as reserve funds.

(2) If there is any loss as a result of a settlement of accounts of the Fund, it may be made up using reserve funds.

Article 101 (Loan)

(1) A loan may, if necessary, be made against the security of the Fund to disburse the expenses arising from the Fund.

(2) If there is lack of cash for disbursement in the Fund, a temporary loan may be made against the security of the Fund.

(3) The temporary loan as referred to in paragraph (2) shall be repaid within the fiscal year concerned.

Article 102 (Receipts, Disbursements, etc., of Fund)

Matters concerning procedures, etc. for receipts and disbursements in the management and operation of the Fund, shall be prescribed by the Presidential Decree.

CHAPTER VI

Request for Examination and Re-examination

Article 103 (Request for Examination)

(1) A person who is dissatisfied with decisions, etc., (hereinafter referred to as "decisions, etc., on insurance benefits"), etc. by the Corporation, falling under any of the following subparagraphs, may make a request for examination to the Corporation :

1. Decisions on the insurance benefits under Chapter III;
2. Decisions on the medical expenses under Article 45;
3. Decisions on the medicine expenses under Article 46;
4. Measures, etc., to change a medical treatment plan under Article 47 (2);
5. Decisions on the lump-sum payment of insurance benefits under Article 76;
6. Decisions on the collection of undue gains under Article 84; and
7. Decisions on the subrogation of the right to receive benefits under Article 89

(2) The request for examination as referred to in paragraph (1) shall be made to the Corporation through an organization

under the control of the Corporation, which has made the decision, etc., 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 insurance benefits is informed.

(4) An organization under the control of the Corporation shall, upon receiving a request for examination pursuant to 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 shall be made against a decision, etc., on insurance benefits.

Article 104 (Industrial Accident Compensation Insurance Examination Committee)

(1) In order to deliberate on a request for examination made pursuant to Article 103, the Industrial Accident Compensation Insurance Examination Committee (hereinafter referred to as the "Examination Committee") composed of relevant experts shall be set up in the Corporation.

(2) The provision of Article 108 shall apply *mutatis mutandis* to the exclusion, challenge and refrainment of a member of the Examination Committee.

(3) Necessary matters concerning the composition and operation of the Examination Committee shall be prescribed by the Presidential Decree.

Article 105 (Review and Decision on Request for Examination)

(1) The Corporation shall make a decision on a request for examination after deliberation by the Examination Committee within sixty days of receipt of the written request for examination pursuant to Article 103 (4): Provided that if it is impossible to make a decision within that period due to inevitable reasons, the period may be extended only once for up to twenty days.

(2) Notwithstanding the provision of paragraph (1), if there are the reasons prescribed by the Presidential Decree, such as a request for examination made after the end of the request period, the request may not undergo deliberation by the Examination Committee.

(3) When the decision period is extended pursuant to the proviso of paragraph (1), the person who has made the request for examination and the affiliate organization of the Corporation, which has made the decision, etc., on insurance benefits shall be informed of this at least seven days before the end of the initial decision period.

(4) If it is needed to review a request for examination, the Corporation may take actions described in any of the following subparagraphs at the request of the person making the request for examination or by virtue of its authority :

1. To have the person making the request or related persons appear at a designated place to ask questions or to have them state opinions;
2. To have the person making the request or related persons submit documents or other things that can be used as evidence;
3. To have a third person with professional knowledge or experience make an appraisal;
4. To have its employee enter the workplace or other places involved in the case to ask questions of the employer, worker and other related persons, or inspect documents and other things; and
5. To have any worker related to the request for examination undergo a medical examination by a doctor, a dentist, or an oriental medicine doctor designated(hereinafter referred to as the "doctor, etc.") by the Corporation.

(5) An employee of the Corporation, who conducts questioning or inspection as referred to in subparagraph 4 of paragraph (4), shall carry a certificate proving his/her authority and show it to related persons.

Article 106 (Request for Re-examination)

(1) A person, who is dissatisfied with a decision on a request for examination made under Article 105 (1), may make a request for reexamination to the Industrial Accident Compensation Insurance Reexamination Committee as prescribed in Article 107 : Provided that a person who is dissatisfied with a decision on insurance benefits, which has been deliberated by the Adjudication Committee, may make a request for reexamination without making a request for examination pursuant to Article 103.

(2) The request for reexamination as referred to in paragraph (1) shall be made to the Industrial Accident Compensation Insurance Reexamination Committee prescribed in Article 107 through an affiliate organization of the Corporation, which has made the decision, etc., on insurance benefits.

(3) The request for reexamination as referred to in paragraph (1) shall be made within ninety days after the decision on the request for examination is informed : Provided that if a request for reexamination is made without making a request for examination pursuant to the proviso of paragraph (1), the request shall be made within ninety days after the decision on insurance benefits is informed.

(4) The provisions of Article 103 (4) shall apply mutatis mutandis with regard to requests for reexamination. In this case, "written request for examination" shall be read as "written request for reexamination", and "Corporation" as the "Industrial Accident Compensation Insurance Reexamination Committee".

Article 107 (Industrial Accident Compensation Insurance Reexamination Committee)

(1) In order to review and decide a request for reexamination made pursuant to Article 106, the Industrial Accident Compensation Insurance Reexamination Committee (hereinafter referred to as the "Reexamination Committee") shall be established in the Ministry of Labor.

(2) The Reexamination Committee shall be composed of sixty members or less, including the chairman, but two members shall be permanent members, and one, an ex officio member.

(3) Two-fifths of the members of the Reexamination Committee shall be composed of persons recommended by workers' and employers' organizations, respectively, from among

those prescribed in subparagraphs 2 through 5 of paragraph (4). In this case, the number of members recommended by workers' and employers' organizations shall be equal.

(4) The chairman and members of the Reexamination Committee shall be appointed by the President upon proposal of the Minister of Labor, from among those falling under any of the following subparagraphs : Provided that the ex officio member shall be the one designated by the Minister of Labor from among general public officials of Grade III or general public officials in the Senior Civil Service :

1. Those who are serving or served as public officials of Grade III or higher or as general public officials in the Senior Civil Service;
2. Judges, public prosecutors, defence lawyers, or certified public labor affairs consultants with 10 years or more of experiences;
3. Those who are serving or served as associate professors or higher at a college prescribed in Article 2 of the Higher Education Act;
4. Those who have been engaged in labor-related services or industrial accident compensation insurance-related services for 15 years or more; and
5. Those with plenty of academic knowledge and experience in social insurance or industrial medical science

(5) A person who falls under any of the following subparagraphs shall not be appointed as member:

1. A person who is incompetent or quasi incompetent, or has been declared bankrupt but not reinstated yet;
2. A person who was sentenced to imprisonment without prison labor or heavier punishment, and for whom three years have not passed since the completion of the sentence or the final decision not to execute it; and
3. A person who is non-compos or feeble-minded.

(6) The term of members (excluding the ex officio member) of the Reexamination Committee shall be three years but renewable: Provided that the term of a member filling a vacancy shall be the remaining period of his/her predecessor's term and a member whose term has expired may perform the duties until his/her successor is appointed.

(7) No member of the Reexamination Committee shall be dismissed from his/her office against his/her will except in such cases as prescribed in any of the following subparagraphs:

1. In case where he/she is sentenced to imprisonment

- without prison labor or heavier punishment; and
2. In case where he/she becomes unable to carry out his/her duties due to a physical or mental collapse for a long period.
 - (8) The Reexamination Committee shall have a secretariat.
 - (9) Necessary matters concerning the organization, operation, etc., of the Reexamination Committee and the secretariat shall be prescribed by the Presidential Decree.

Article 108 (Exclusion, Challenge and Refrainment of Member)

- (1) Any member of the Reexamination Committee shall be excluded from participating in the deliberation and resolution of a case if he/she falls under any of the following subparagraphs:
 1. Where a member or his/her spouse or former spouse is a party to the case, or a joint right holder or obligator regarding the case;
 2. Where a member is or was a relative of a party in the case, who is prescribed in Article 777 of the Civil Act;
 3. Where a member gives any testimony or expert opinion regarding the case;
 4. Where a member is or was involved as an agent of a party in the case; or
 5. Where a member is involved in making a decision, etc., on insurance benefits which is the subject of the case
- (2) When any party finds it difficult to expect a fair deliberation and resolution from the members, it may file a challenge application.
- (3) If any member falls under the case of paragraph (1) or (2) he/she may refrain from deliberation and resolution regarding the case.
- (4) The provisions of paragraphs (1) through (3) shall apply mutatis mutandis to employees other than the members, who are involved in clerical work concerning the deliberation and resolution of a case.

Article 109 (Review and Ruling on Request for Reexamination)

- (1) The provisions of Article 105 (1) and (3) through (5) shall apply mutatis mutandis with regard to review and decision on a request for reexamination. In this case, "Corporation" shall be read as "Reexamination Committee", "request for examination through deliberation by the Examination Committee" as "request for reexamination", "decision" as "ruling", and "employee of the Corporation" as "member of the Reexamination Committee", respectively.

(2) The ruling of the Reexamination Committee shall be binding on the Corporation.

Article 110 (Succession to Status of Person Requesting Examination and Re-Examination)

In the event that a person requesting an examination or a reexamination is dead, if he/she is a person entitled to insurance benefits, the status shall be succeeded by the survivors as prescribed in Article 62 (1) or 81, and if not, by his/her heir or a person who has succeeded to the right or interest related to the insurance benefits subject to the request for examination or reexamination.

Article 111 (Relation with Other Acts)

(1) With respect to an interruption of prescription, a request for examination or reexamination made pursuant to Articles 103 and 106 shall be considered as a judicial request as prescribed in Article 168 of the Civil Act.

(2) In applying Article 18 of the Administrative Litigation Act, a ruling on a request for reexamination made pursuant to Article 106 shall be considered as a ruling on administrative appeals.

(3) Matters not provided for by this Act concerning a request for examination or reexamination under Articles 103 and 106 shall be governed by the provisions of the Administrative Appeals Act.

CHAPTER VII

Supplementary Provisions

Article 112 (Prescription)

(1) If the right to receive insurance benefits under this Act has not been exercised for three years, it shall become extinctive by prescription.

(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 Act.

Article 113 (Interruption of Prescription)

The extinctive prescription referred to in Article 112 shall be interrupted by a request made under Article 36 (2). In this case, if the request is the first request requiring a judgment on

whether or not the case concerns a work-related accident prescribed in subparagraph 1 of Article 5, the interruption of prescription resulting from the request shall affect the other insurance benefits referred to in Article 36 (1).

Article 114 (Report, etc.)

(1) The Corporation may, if it is deemed necessary, demand the employer of a business to which this Act applies, or workers who are engaged in the business, and the insurance work service agency (hereinafter referred to as "insurance work service agency") prescribed in Article 33 of the Insurance Premium Collection Act to make a report necessary for the insurance work, or to present related documents, under the conditions as prescribed by the Presidential Decree.

(2) A person who is entitled to receive a disability or survivors' compensation annuity shall report to the Corporation such matters necessary for the payment of insurance benefits as prescribed by the Presidential Decree.

(3) A person who is or was entitled to receive benefits shall report to the Corporation such matters concerning changes in his/her entitlement as prescribed by the Presidential Decree.

(4) If an entitled person has died, those who are required to report pursuant to Article 85 of the Act on the Registration, etc., of Family Relations shall report the death to the Corporation within one month.

Article 115 (Report of Departure of Persons Entitled to Disability Compensation Annuity, etc.)

(1) If a person entitled to disability compensation annuities, a person (hereinafter referred to as the "person entitled to disability compensation annuity, etc."; the same shall apply in this Act) entitled to survivors compensation annuities or a person qualified to receive survivors compensation annuities, who is a Korean national, departs from Korea to live in a foreign country, the person entitled to disability compensation annuities, etc., shall report this to the Corporation.

(2) If a person entitled to disability compensation annuities, a person entitled to survivors compensation annuities or a person qualified to receive survivors compensation annuities receives a disability compensation annuity or survivors compensation annuity while living in a foreign country, the person entitled to disability compensation annuities shall report to the Corporation such matters as prescribed by the Presidential Decree concerning the entitlement and qualification

once or more every year under the conditions prescribed by the Ordinance of the Ministry of Labor.

Article 116 (Assistance of Employer)

(1) If a person who is entitled to receive insurance benefits, finds it difficult to proceed with the procedures for claims etc., for insurance benefits, due to an accident, the employer shall provide assistance.

(2) If a person who is entitled to receive insurance benefits demands a certification necessary for receiving them, the employer shall provide such certification.

(3) If it is impossible to provide the certification referred to in paragraph (2) due to a missing of the employer, or other inevitable reasons, the certification may be omitted.

Article 117 (Investigation of Workplace, etc.)

(1) If it is deemed necessary for making a decision on insurance benefits or making a review, decision, etc., on a request for examination, the Corporation may have its own employee enter the office or place of a business, to which this Act applies, and the office of an insurance work service agency, ask related persons questions or investigate related documents.

(2) In the case of paragraph (1), the employee of the Corporation shall carry a certificate proving his/her authority and show it to related persons.

Article 118 (Investigation, etc. of Industrial Accident Insurance-related Medical Institution)

(1) If it is deemed necessary in relation to insurance benefits, the Corporation may demand the industrial accident insurance-related medical institution (including doctors; hereinafter in this Act the same shall apply) which has given medical treatment to a worker who receives insurance benefits to make a report on the results of the medical treatment or submit related documents or things, or may have its employees ask related persons questions or investigate related documents or things, under the conditions prescribed by the Presidential Decree.

(2) The provisions of Article 117 (2) shall apply mutatis mutandis with respect to the investigation referred to in paragraph (1).

Article 119 (Demand for Medical Examination)

If it is deemed necessary in relation to insurance benefits,

the Corporation may demand a person who receives or intends to receive insurance benefits to undergo a medical examination at an industrial accident insurance-related medical institution under the conditions prescribed by the Presidential Decree.

Article 120 (Temporary Suspension of Insurance Benefits)

(1) If a person who intends to receive insurance benefits falls under any of the following subparagraphs, the Corporation may suspend temporarily the payment of insurance benefits :

1. Where a worker in the middle of medical care fails to follow the order to transfer to another medical institution given pursuant to Article 48 (1);

2. Where the person fails to comply with a redetermination of his/her disability grade made by the Corporation by virtue of its authority pursuant to Article 59;

3. Where the person fails to make a report, submit documents or report in violation of Article 114 or 115;

4. Where the person fails to respond to the questions or investigation referred to in Article 117; or

5. Where the person fails to comply with the medical examination demanded pursuant to Article 119

(2) The types of insurance benefits subject to the temporary suspension referred to in paragraph (1) and the period of and procedures for the temporary suspension shall be prescribed by the Presidential Decree.

Article 121 (Special Case for Overseas Business)

(1) In order to compensate a worker for an accident occurring during a period of his/her overseas stay for work, a person(hereinafter referred to as the "insurance company") designated by the Minister of Labor after consultation with the Financial Services Commission may be permitted to carry out the insurance activities prescribed in this Act on his/her own account in the case of business run in a country or an area prescribed by a social security-related treaty or convention (hereinafter referred to as the "social security-related treaty") to which Korea is a party or the Presidential Decree. *<Amended by Act No. 8863, Feb. 29, 2008>*

(2) The insurance company referred to in paragraph (1) shall carry out insurance activities in accordance with the business method prescribed by the Insurance Business Act. In this case, the insurance benefits paid by the insurance company shall not be unfavorable for workers compared with the insurance benefits prescribed by this Act.

(3) An insurance company carrying out insurance activities pursuant to paragraph (1) shall fulfill in good faith all the responsibilities the Government should bear under this Act and a social security-related treaty for workers.

(4) The provisions of Article 2, Article 3 (1), the proviso of Article 6, Article 8 and Article 82 and the provisions of Chapters V and VI shall not apply to the overseas business as referred to in paragraph (1) and insurance activities aimed at such business.

(5) In carrying out insurance activities pursuant to paragraph (1), an insurance company may exercise the authority of the Corporation as prescribed by this Act.

Article 122 (Special Case for Persons Dispatched Overseas)

(1) In case an insurance subscriber prescribed in Article 5 (3) and (4) of the Insurance Premiums Collection Act applies for an insurance policy to the Corporation and obtains an approval therefor for any person (hereinafter referred to as the “overseas-dispatched person”) dispatched overseas to work for a business run in an area (excluding areas prescribed by the Ordinance of the Ministry of Labor) other than the Republic of Korea, the overseas-dispatched person may be regarded as a worker employed for the business (referring to the main business in case there are two businesses or more) of the insurance subscriber, which operates within the territory of the Republic of Korea, in applying this Act.

(2) The amount of wage used as the basis for calculating insurance benefits for an overseas-dispatched person shall be the one determined and announced by the Minister of Labor in consideration of the amount of wage for workers employed in the same kind of occupation in the business concerned and other conditions.

(3) Necessary matters concerning the payment, etc., of insurance benefits with respect to overseas-dispatched persons shall be prescribed by the Ordinance of the Ministry of Labor.

(4) The calculation of insurance premiums, application for an insurance policy and approval therefor, the report and payment of insurance premiums, the termination of insurance relationships and other necessary matters for overseas-dispatched persons to whom this Act applies pursuant to paragraph (1) shall be governed by the Insurance Premium Collection Act.

Article 123 (Special Case for On-the-Job Trainees)

(1) Among students and vocational trainees (hereinafter

referred to as “on-the-job trainees”) taking on-the-job training in a business subject to this Act, the on-the-job trainees determined by the Minister of Labor shall be regarded as workers employed in the business in applying this Act notwithstanding the provisions of subparagraph 2 of Article 5.

(2) An accident which happens to an on-the-job trainee in relation to training shall be regarded as a work-related accident, and the insurance benefits prescribed in any of the subparagraphs of Article 36 (1) shall be paid.

(3) The amount of wage used as the basis for calculating insurance benefits for on-the-job trainees shall be all the money and goods paid to the on-the-job trainees, such as training allowances, but if such application is deemed inappropriate for accident compensation for the on-the-job trainees, the amount may be the one determined and announced by the Minister of Labor.

(4) Necessary matters concerning the payment, etc., of insurance benefits with respect to on-the-job trainees shall be prescribed by the Presidential Decree.

(5) Matters concerning the calculation, report and payment of insurance premiums with regard to on-the-job trainees shall be governed by the Insurance Premium Collection Act.

Article 124 (Special Case for Employers of Small and Medium Enterprises)

(1) The employers of small and medium enterprises prescribed by the Presidential Decree (including those who do not employ any worker; hereinafter in this Act the same shall apply) may join insurance with themselves or their prospective surviving family members as beneficiaries of insurance benefits after getting approval from the Corporation. In this case, notwithstanding the provisions of subparagraph 2 of Article 5, the employers shall be regarded as workers in applying this Act.

(2) The scope of work-related accidents which cause the payment of insurance benefits to employers of small and medium enterprises pursuant to paragraph (1) shall be prescribed by the Ordinance of the Ministry of Labor.

(3) The amount of average wage used as the basis for calculating insurance benefits for employers of small and medium enterprises under paragraph (1) shall be the one determined and announced by the Minister of Labor.

(4) In case the work-related accidents referred to in

paragraph (2) occur while insurance premiums are overdue, all or part of the insurance benefits for the accident concerned may not be paid under the conditions prescribed by the Presidential Decree.

(5) Necessary matters concerning the payment, etc., of insurance benefits with respect to employers of small and medium enterprises shall be prescribed by the Ordinance of the Ministry of Labor.

(6) The calculation of insurance premiums, application for an insurance policy and approval therefor, the report and payment of insurance premiums, the termination of insurance relationships and other necessary matters for employers of small and medium enterprises to whom this Act applies pursuant to paragraph (1) shall be governed by the Insurance Premium Collection Act.

Article 125 (Special Case for Persons in Special Types of Employment)

(1) Notwithstanding the provision of Article 6, a business or workplace which receives labor service from persons (hereinafter referred to as "persons in special types of employment") who are engaged in the occupations prescribed by the Presidential Decree among those who need protection from work-related accidents as they are not covered by the Labor Standards Act even though they provide labor service in a similar way to workers in general regardless of type of contract, and meet all of the following conditions shall be regarded as a business or workplace subject to this Act.

1. They should routinely provide the business or workplace with labor service necessary for the operation thereof, be paid for such service and live on such pay; and

2. They should not use other persons to provide the labor service

(2) Notwithstanding the provision of subparagraph 2 of Article 5, persons in special types of employment shall be regarded as workers of the business or workplace in applying this Act : Provided that if persons in special types of employment request exclusion from the application of this Act pursuant to paragraph (4), they shall not be regarded as workers.

(3) If an employer begins or ceases to receive labor service from a person in special types of employment, the employer shall report this to the Corporation under the conditions

prescribed by the Presidential Decree.

(4) If a person in special types of employment does not want to be subject to this Act, he/she may make a request for exclusion from the application of this Act to the Corporation under the conditions prescribed by the Insurance Premium Collection Act : Provided that this shall not apply in the case of persons in special types of employment whose insurance premiums are paid wholly by their employers.

(5) If a request for exclusion from the application of this Act is made pursuant to paragraph (4), this Act shall not be applied beginning on the day following the date of the request : Provided that if the request for exclusion from the application of this Act is made less than 70 days after the date of the application of this Act, this Act shall not be applied retroactively to the date of the first application of this Act.

(6) If a person who is not subject to this Act pursuant to paragraphs (4) and (5) makes a request to the Corporation in order to become subject to this Act again, this Act shall begin to apply in the following insurance year.

(7) Necessary matters concerning the establishment, termination and change of insurance relationships, requests for exclusion from the application of the Act and for the reapplication of the Act, the calculation, report and payment of insurance premiums and the collection of insurance premiums and other charges with respect to persons in special types of employment to whom this Act applies pursuant to paragraph (1) shall be governed by the Insurance Premium Collection Act.

(8) The amount of average wage used as the basis for calculating insurance benefits for persons in special types of employment shall be the one announced by the Minister of Labor.

(9) The criteria for recognizing work-related accidents which cause the payment of insurance benefits to persons in special types of employment shall be prescribed by the Presidential Decree.

(10) If the work-related accidents referred to in paragraph (9) occur while insurance premiums are overdue, all or part of the insurance benefits for the work-related accidents may not be paid under the conditions prescribed by the Presidential Decree.

Article 126 (Special Case for Benefit Recipients under the National Basic Living Security Act)

(1) Among recipients of self-support benefits under Article 15

of the National Basic Living Security Act, who are not workers prescribed in subparagraph 2 of Article 5, those who are engaged in the projects determined and announced by the Minister of Labor shall be regarded as workers subject to this Act notwithstanding the provision of subparagraph 2 of Article 5.

(2) The amount of wage used as the basis for calculating insurance premiums and insurance benefits for recipients of self-support benefits shall be the amount of self-support benefits which the recipient of self-support benefits receives as a result of participating in the projects referred to in paragraph (1).

CHAPTER VIII

Penal Provisions

Article 127 (Penal Provisions)

(1) If a person who works in an industrial accident insurance-related medical institution or a pharmacy under Article 46 (1) has received medical expenses or medicine expenses by false or other fraudulent means, he/she shall be punished by imprisonment of up to three years or a fine not exceeding thirty million won.

(2) A person who has received insurance benefits by false or other fraudulent means shall be punished by imprisonment of up to two years or a fine not exceeding twenty million won.

(3) A person who has disclosed confidential information in violation of Article 21 (2) shall be punished by imprisonment of up to two years or a fine not exceeding ten million won.

Article 128 (Joint Penal Provisions)

(1) If the representative of a corporation, or an agent, a servant or other employees of a corporation or an individual commits an offence under Article 127 (1) in relation to the business of the corporation or individual, the corporation or individual, in addition to the offender, shall be punished by the fine prescribed in the same paragraph.

Article 129 (Fine for Negligence)

(1) A person who falls under any of the following subparagraphs shall be imposed with a fine for negligence not exceeding two million won:

1. A person who uses a similar title in violation of Article

34; or

2. A person who claims medical expenses from a person other than the Corporation, in violation of Article 45 (1)

(2) A person who falls under any of the following subparagraphs shall be imposed with a fine for negligence not exceeding one million won:

1. A person who fails to submit a medical treatment plan referred to in Article 47 (1) without any justifiable reason;

2. A person who fails to answer questions, makes a false answer, or refuses, interferes with, or evades inspection in violation of Article 105 (4) (including the *mutatis mutandis* application thereof as provided in Article 109 (1));

3. A person who fails to make a report or makes a false report or a person who fails to comply with an order to submit documents or things, in violation of Article 114 (1) or 118;

4. A person who refuses to answer questions asked by an employee of the Corporation or refuses, interferes with or evades investigations in violation of Article 117 or 118; and

5. A person who fails to make a report referred to in Article 125 (3)

(3) The fine for negligence 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) A person who is dissatisfied with the imposition of a fine for negligence as referred to in paragraph (3) may file a complaint with the Minister of Labor within thirty days after the notification of such imposition.

(5) If a person subject to the imposition of a fine for negligence under paragraph (3) file a complaint pursuant to paragraph (4), the Minister of Labor shall notify it without delay to a competent court, and the court so notified shall proceed to a trial on a fine for negligence in accordance with the Non-Contentious Case Litigation Procedure Act.

(6) If a complain is not filed nor is a fine for negligence paid within the period referred to in paragraph (4), the fine for negligence shall be collected according to the process for recovery of national taxes in arrears.

Addenda <Act No. 8863, Feb. 29, 2008; Revision of the Act on the Establishment, etc., of Financial Services Commission>

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

Article 5 (Revision of Other Laws)

(1) through (35) Omitted.

(36) Parts of the Industrial Accident Compensation Insurance Act wholly amended by Act No. 8694 shall be revised as follows :

"Financial Supervisory Commission" in Article 121 (1) shall be changed to "Financial Services Commission".

(37) through (85) Omitted.