

## IMIA Country Analysis of 2013

Country	Premium Development	Claims development	Underwriting Profitability	Business Outlook
Taiwan	<p>The total premium income of engineering insurance has decreased slightly from NT\$4.67 billion in 2012 to NT\$4.42 billion in 2013. The share Engineering Insurance holds of the total premium spent on Commercial Property &amp; Casualty (P&amp;C) insurance in our market was 3.60% with the entire insurance premium income of NT\$124,228 million in 2013 and fell by 0.29% in comparison with the previous year's share of 3.89%. As usual, the majority of engineering insurance premium income came from non-renewable business, such as CAR and EAR insurances. Only 18.24% of its premium income was generated from renewable engineering insurances, such as CPM, BPV, MI and EEI. Loss of Profits &amp; IDI has not developed in this market so far .</p>	<p>The claim of the engineering insurance decreased from NT\$2,211,272,332 in 2012 to NT\$1,401,494,724 in 2013 with -36.62% due to no major Typhoon and other natural hazard events of CAR business in 2013. Loss amount in other line of business is insignificant due to the scale and exposure of risk is small.</p>	<p>The loss ratio of engineering insurance decreased moderately from 50.92% in 2012 to 32.49% in 2013. The market situation is still soft since there are nearly 20 insurers providing engineering insurance capacity in Taiwan. The capacity available is not increasing, but more and more local insurers retain risks which they write as acceptable.</p>	<p>The nation's economy may grow moderately this year at a forecast 3.05%. Although the government expands the investment of app. NTD500Bio in infrastructure projects for next 5 years, however in the first quarter of 2014 there is no major optimistic boost to the construction industry. Construction businesses are not increased, which is also affecting the engineering insurance industry. Taiwan's engineering insurance premium basically comes from CAR &amp; EAR insurance, which mainly depends on the government infrastructure projects. Since 2010 there is no major impact of catastrophic event, local insurers had positive results in 2011, 2012 &amp; 2013, reporting good underwriting results. It is expected the engineering insurance market in Taiwan to be softening further in 2014. Taking the lesson of the financial disbursement surge due to the recovery for Typhoon Morakot passage in 2010, the government is thinking a measure for their financial strategy. And the insurance industry is looking forward to promoting the CECR insurance in 2014.</p>