

## IMIA 2015 Country Analysis

Country	Premium Development	Claims development	Underwriting Profitability	Business Outlook
Taiwan	<p>The total premium income of engineering insurance has decreased from NT\$3.94 billion in 2014 to NT\$3.47 billion in 2015. The share Engineering Insurance holds of the total premium spent on Property &amp; Casualty (P&amp;C) insurance in Taiwanese market was 2.54% with the entire insurance premium income of NT\$136,118 million in 2015 and fell by 0.42% in comparison with the previous year's share of 2.97%. As usual, the majority of engineering insurance premium income (84.2%) came from non-renewable business, such as Contractors' All Risks and Erection All Risks insurances.</p>	<p>The claim of the engineering insurance increased from NT\$2,026,290,628 in 2014 to NT\$2,485,289,074 in 2015 with percentage of 22.65%. Albeit there is no major Typhoon and other territorial natural hazard events of CAR business in 2014, there is still a reason due to fierce competition in the local engineering insurance market with soft conditions. 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 overall engineering insurance increased from 51.42% in 2014 to 71.62% in 2015. The local market situation is still very soft since there are nearly 17 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 in a tough situation.</p>	<p>The nation's economy growth rate is forecasted at 1.06% in 2016 according to statistics from Taiwan National Statistical Bureau. The projection faces more downside risks than upside surprises going forward, as uncertainties at home and abroad continue to unfold. Since the Taiwanese engineering insurance market varies according to the construction industry's fluctuation. In 2015, there is also no major optimistic boost to the construction industry from new government's economic policy. Construction businesses are not increased, which is also affecting the engineering insurance. CAR and EAR insurance businesses will have small increase from small and medium size construction project. However, No jumbo construction projects are expected other than Taoyuan Aerotropolis Infrastructure Project.</p>